

NEWS SUMMARY

GENERAL

Soviets refuse Afghan pull-out

Soviet President Leonid Brezhnev yesterday rejected President Carter's call for the withdrawal of Soviet troops from Afghanistan. He indicated they would remain until "the tribal rebellion" against Soviet-backed rule was over.

His statement came as the Afghan Government imposed martial law in the capital Kabul after outbreaks of arson and rioting.

An Afghan diplomat sent to represent his Government at a UN meeting announced his defection. *Back Page*

Rhodesia move

Rhodesian guerrilla leaders Robert Mugabe and Joshua Nkomo agreed to instruct their 22,000 men to remain in the 14 assembly places until after next week's elections. The move followed a request by the Governor, Lord Soames. Concern for Monitoring Force, *Page 2*

Currency change

Israel has reformed its currency, replacing the pound with the Biblically-named shekel. The new unit will be worth 10 old pounds. *Page 2*

Proll 'freedom'

Astrid Proll, the former member of West Germany's Baader-Meinhof urban guerrilla movement who lived as a car mechanic in London until she was arrested in 1978, should go free, her trial judge recommended in Frankfurt.

Seatbelt snub

A Private Member's Bill to make the wearing of seatbelts compulsory made little headway in the Commons, and the chance of it becoming law look slim. *Page 3*

Clashes in Iran

President Bani-Sadr of Iran threatened harsh treatment for rioters as street fighting continued in at least three Iranian cities. About 500 people were injured in the town of Qaem Shahr. *Page 2*

Revenue savings

The Inland Revenue has accepted proposals leading to a one-off saving of 350 staff and a cut of £2m a year in the cost of the tax system. *Page 3*

EEC warning

The European Commission warned Britain, the Netherlands, Belgium and Luxembourg that it would take them to the European Court if they did not comply with EEC equal pay rules in two months.

F-15 for Egypt

The U.S. has agreed in principle to sell Egypt its best fighter plane, the F-15, but it may take four years to provide the aircraft.

More U.S. floods

Fifteen hundred people were evacuated from their homes in Palm Springs as floods continued in Southern California. Damage has been estimated at \$320m.

Briefly

President Tito of Yugoslavia is being kept alive by an artificial kidney machine, his doctors announced.

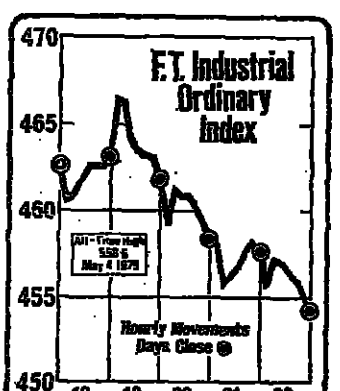
British skater Robin Cousins, who won a gold medal at the Winter Olympics at Lake Placid, U.S., is to be given a civic reception at his home town of Bristol.

BUSINESS

Gilts and equities weaker; \$ strong

GILTS were unsettled by further U.S. interest rate rises and later by new Government funding of £500m. Treasury 14 per cent 1980 stock losses in long extended to 1 and more while shorts sustained losses ranging to 1. The FT Government Securities index fell 0.47 to 65.37.

EQUITIES were overshadowed by the previous day's Wall Street setback and the tone in Gilts. The Account ended



In this trading with the FT 30-share index 3.4 lower at 454.2, although the Gold Mines index rose 7.4 to 348.4.

DOLLAR was very firm in exchanges closing at SwFr 1.6615 (SwFr 1.6400) and DML7585 (DML7465), as U.S. interest rates rose. Its index rose to 86.1 (85.6).

STERLING performed well despite the strong \$ but lost 1.10 cents to close at \$2.2760 (\$2.2670). Its index was unchanged at 72.3.

GOLD fell \$28 to \$629.50

WALL STREET was 1.87 higher at 370.39 shortly before the close.

ENGINEERING INDUSTRY sales and new order figures for November showed a sharp recovery in November 1979 after three months affected by industrial disputes. *Page 3*

HAMBROS merchant bank has offered the National Enterprise Board £18.5m cash for Fairway Holdings, the engineering company set up in 1977 after the Fairway Group went into receivership. *Back Page*

NORTH SEA OIL industry could order 18 new platforms worth hundreds of millions of pounds next year, a study estimates. *Page 3*

FINE FARE, the Associated British Foods supermarket chain, has bought 52 small grocery shops from International Stores for £3.6m.

DELEGATE CONFERENCE of General and Municipal Workers' Union representing 16,000 workers in British Shipbuilders has rejected an 11 1/2 per cent pay offer. *Page 3*

COMPANIES

BURMEISTER & WAIN, the Danish shipyard and engineering group, has dismissed its board and appointed a new one headed by Mr. Jan Boude Nielsen. *Page 19*

VIRKING OIL, capitalised at about £20m, has agreed to a bid by the West German Deutsches subsidiary, Deutsche Erdölversorgungs gesellschaft. *Page 14*

HANG SENG BANK of Hong Kong, a subsidiary of Hong Kong and Shanghai Banking Corp., has reported 1979 net profit up 43 per cent on 1978 at HK\$297.5m (£26.5m). *Page 19*

ASESTOS CORPORATION of Canada, threatened by a Quebec Government takeover, has reported 1979 net profit of \$17.8m (£6.5m) against 1978's \$15.6m. *Page 19*

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Cantors "A" 45 + 5	Treasury 11 1/2 1991 585 - 1
De Vere Hotel 265 + 14	Treasury 12 1/2 1991 585 - 1
Fashion & General 200 + 10	2003-05 A (170 pd.) 585 - 1
Furness Withy 375 + 7	Buzzell Pulp 118 - 8
Lloyds Bank 310 + 12	
May & Hassell 89 + 7	
Metal Box 250 + 6	
Meyer (Mont. L.) 102 + 5	
NatWest Bank 363 + 7	
UDT 51 + 4	
Burmah Oil 235 + 7	
Glynor 625 + 25	
Gem Exploration 40 + 9	
Leichard Explorati. 565 + 100	
Carpet Internat. 26 - 2 1/2	
Commercial Union 135 - 5	
Excess 500 - 8	
General Accident 224 - 8	
GEC 373 - 7	
Guardian Royal Exch. 230 - 10	
Hawker Siddeley 169 - 5	
Lee Cooper 275 - 11	
Miford Dock 142 - 6	
Morgan Edwards 133 - 5	
Needlers 52 - 5	
Royal Insurance 332 - 11	
Unitech 273 - 5	
Cluff Oil 375 - 25	
Guthrie 180 - 25	
Harrisons Malaysian Estates 177 - 8	
RTZ 440 - 12	
South Africa Land 395 - 20	
Southern Pacific 787 - 38	
Petroleum 787 - 38	

Prime rate soars to record figure in American banks

BY STEWART FLEMING IN NEW YORK

THE PRIME lending rate at several big U.S. commercial banks soared to a record 16 1/2 per cent yesterday in the wake of the news that inflation had tightened its grip on the U.S. economy last month.

The January consumer price index rose at an annual rate of 18.8 per cent. The monthly increase was 1.4 per cent, just below the 1.6 per cent whole-sale price rise for January reported last week.

The rise in the prime was led by the second largest New York bank, Citibank, which increased the rate from 15 1/2 to 16 1/2 per cent, a full point above the level a week ago, just before the Federal Reserve moved to tighten credit by increasing the discount rate from 12 to 13 per cent.

But within an hour Morgan Guaranty Trust, the fifth largest New York bank, announced a new prime of 16 1/2 per cent, a move followed by Bankers Trust of New York, and now expected to spread through U.S. banking.

In the wake of the inflation report Mr. Richard Russell, director of President Carter's Council on Wage and Price Stability, said January's figure was not an aberration, but an

ominous sign that inflation was in danger of "exploding". On Capitol Hill, Representative Henry Reuss raised the possibility that Congress might pass wage and price controls if a series of other economic adjustments were made by the Administration.

But he said that to impose mandatory controls "on top of the present non-policy" would be "disastrous".

He attacked the Carter Government for its lack of anti-inflationary policies, saying that it had "abdicated its responsibilities".

The evidence that inflation is accelerating poses a growing threat to Mr. Carter in his campaign for the Democratic Presidential nomination and re-election.

On Thursday, the President reiterated his Government's position on controls, a position he will be reluctant to change while Senator Edward Kennedy, who advocates controls, is still challenging him for the Democratic Party nomination.

It is clear that pressure for new action on inflation is mounting, for it poses a growing threat to the economy and will become an even bigger political liability

for the President if, as some banks are predicting, the consumer price index hits 20 per cent in one or two months' time.

On Wall Street bankers are raising their odds that some form of controls lies ahead, on prices, wages or credit, and fear that companies will begin to take steps to anticipate them by raising prices or seeking to tie up additional credit lines in advance.

It is the threat to the economy, and even to the solvency of some corporations, that is causing most concern on Wall Street.

The main components of the consumer price rise in January were a 3.1 per cent rise in the transport index, reflecting large petrol price increases and a 1.4 per cent rise in the heavily-weighted housing component, reflecting in the main rising home loan interest rates.

While the housing component may be artificially inflating the consumer price index, the index nevertheless provides a basis upon which social security and some Government pension payments are based. Its

The week on Wall Street, *Page 4*

Editorial comment, *Page 12*

BL urges action against 'unfair competition'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL IS pressing the Government for urgent action to combat "unfair competition" in world markets, and particularly the problem of imports from Japan, Eastern Europe, and Spain.

The move comes with BL Cars again experiencing a declining UK market share. In the first 21 days of this month, the state-owned concern held only 18.1 per cent of a buoyant market, in spite of generous incentives to dealers and an expensive "Buy British" campaign.

Sir Michael Edwards, the BL chairman, at a private dinner with Mr. John Nott, the Trade Secretary, said: "We really do seem to continue to play cricket, while other countries only apply those rules which are to their own advantage."

BL says that, during the 1980s, it will face "a major battle for market share" and should not be faced with competitive pressures that are not "reasonable

and fair."

Mr. Nott is known to be taking a personal interest in the issues raised by Sir Michael, and Mrs. Margaret Thatcher, the Prime Minister, is being kept informed of progress. A committee of civil servants is investigating the complaints.

Mr. Pat Lowry, BL personnel director, in a letter seeking support from trade union leaders, says that Spain is poised to overtake UK production in the early 1980s, but remains a closely protected market.

"The worst aspect of the situation is that Spain is the manufacturing base from which manufacturers established there are vigorously exporting cars to other EEC countries," he said.

While the UK last year sold 300 cars to Spain where General Motors and Fiat have recently announced expansion plans, last year about 50,000

were imported, mostly by Ford (47,373) and Talbot (2,162).

BL also calls for quick action to "stop the extensive dumping prevalent from Eastern Europe." Imports from Comecon countries totalled 39,000 last year, compared with UK sales there of only 400 vehicles.

BL is pressing the Government to take a tough line in negotiations with the EEC over type approval procedures — the technical test of vehicles before they are allowed access to a country.

BL Cars last night informed the trades unions that it could not increase its 5 per cent pay offer and needed immediate fundamental changes in working practices. The deal was rejected in a ballot of the work force by a three to two majority, but the company is offering to set up a working party to examine any difficulties.

Peugeot profits drop, *Back Page*

Lloyds Bank profit up 49%

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

LLOYDS BANK'S pre-tax profits increased by 49 per cent last year to £276.6m, mainly as a result of a 90 per cent jump in UK banking profits. Dividends are increased by 38 per cent.

The increase in UK profits is largely attributed to the effect of higher UK interest rates. The bank's current account deposits on which it pays no interest, increased by 10 per cent last year, while average bank base rate for 1979 was 4.6 per cent higher than in 1978.

At the same time, the difference between the interest rate paid on deposit accounts and the interest rate charged on related lending narrowed from 3.3 per cent to 2.5 per cent.

Lloyds was anxious yesterday to emphasise that real, inflation-adjusted profits were much less

spectacular. Accordingly, it included current cost figures, showing a 28 per cent increase in CCA pre-tax profits, in yesterday's announcement for the first time.

This "real" profit compares with a 15 per cent decline in 1978 for inflation-adjusted profits of large industrial companies, according to estimates from stockbrokers Phillips and Drew.

Lloyds' real return on capital, at 14 per cent, is also thought to be more than twice that of industrial companies last year.

Sir Jeremy Morse, Lloyds chairman, attacked suggestions that windfall bank profits resulting from Government interest rate policy should face a special levy.

Such a tax was totally unsupportable "and would be non-

sense," he said. "It is vital that banks earn good profits."

With yesterday's announcement, Lloyds became the first of the big UK banks to publish detailed figures for bad and doubtful debt provisions.

These show that over the past two years the bank has suffered bad debts of only £3.6m. At the beginning of 1979, however, it had set aside £77.6m to cover such losses. The closing provision amounts to £86.5m, of which £52.6m is a "general provision" for latent risks in the bank's loan portfolio.

Lloyds is sticking to its policy of not making provision for tax bills deferred as a result of its leasing activities. It is the only clearing bank which makes no provision.

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For latest Share Index phone 01-246 8026

£800m long tap next week

By Peter Riddell, Economics Correspondent

THE BANK of England yesterday sought to extend its programme of funding the Government's borrowing needs into the next financial year by announcing an offer next week of £800m-worth of long-dated gilt-edged stock.

The stock — 14 per cent Treasury 1996 — is being offered by tender in a partly-paid form. The final call is not until April 11 and so there is an opportunity for investors to take up speculative positions over the period of the Budget on March 26.

After the announcement, long-dated stocks closed £1 down after earlier losses of £1.

The market is at present faced with contradictory pressures. On one hand, it has become increasingly clear in the past week that the main aim of the Budget will be to hold down public-sector borrowing in order to cut interest rates as soon as possible.

On the other hand, there are still strong upward pressures on interest rates as a result of a continuing serious shortage of credit in the money markets, caused by the financial squeeze on industry, the heavy sales of gilt-edged stock, and large tax payments.

The Government's freedom of manoeuvre is also being eroded by the succession of big increases in interest rates overseas, announced over the past 10 days.

Apart from the new stock there are two calls on existing gilt issues within the next fortnight, and £1bn of the temporary help given to the markets and the banks is due to be repaid before the end of the current banking month in mid-March.

Consequently, the question is likely to arise of whether this help may have to be extended in order to prevent a rise in interest rates. But this will be in face of some City criticism. Tenders have to be submitted by next Wednesday morning, when £20 per cent is payable. The rest is due in two instalments — £30 per cent on March 18 and the balance on April 11.

At the minimum-tender price of 93.50 per cent, the flat yield is 14.66 per cent and the gross redemption yield is 14.74 per cent.

£ in New York

	Feb. 21	Previous
Spot	\$2.2862-2869	\$2.2782-2783
1 mth	0.31-0.36 dis	0.50-0.45 dis
3 mths	1.05-1.00 dis	1.87-1.82 dis
12 mths	2.95-2.90 dis	3.25-3.10 dis

Door still open on steel pay talks

BY CHRISTIAN TYLER, LABOUR EDITOR

EXPLORATORY PAY talks between British Steel Corporation negotiators and the two leaders of the strike, now in its eighth week, were kept alive yesterday in spite of what the corporation called a "massive" gap between the two sides.

For the first time in the dispute both the corporation and its two principal unions have been careful to leave the door open amid signs of mounting concern among some Ministers

other elements were added. He said the corporation's last offer of 1.4 per cent was still final. But if the unions were prepared to give more, BSC might be able to pay more, he said. At present the unions' version was too "weak" to justify any change in BSC's position.

"We are prepared to keep the door open to talk but we are going to stick absolutely firmly on the self-funding principle," Mr. Scholey said.

SHIPBUILDERS REJECT 11 1/2%

Representatives of 16,000 British Shipbuilders' workers, members of the General and Municipal Workers' Union, yesterday rejected an 11 1/2 per cent pay offer. The surprise

rejection is the third time in the past two weeks that GMIWU recommendations for acceptance of offers in water, gas and now shipbuilding have been overturned.

and the growing reluctance of many private-sector steel workers to continue their sympathetic strikes.

The Iron and Steel Trades Confederation and the National Union of Blastfurnacemen told BSC they wanted a 15 per cent basic increase plus another 5 per cent as the price of consenting to local productivity deals, whether or not those deals were concluded.

They suggested phasing the increases over 15 months. At the same time, they put forward their own version of an agreement. In this the conditions sought by the corporation were much watered down.

Mr. Bob Scholey, BSC chief executive, said this represented a 20.75 per cent increase, costing about £250m. It could be as much as 30 per cent when

Mr. Bill Sirs, ISTC general secretary, said the two sides had come close to breakdown because BSC refused to negotiate and had valued the union's draft agreement as worth only 8 per cent as it stood.

The two unions went away saying they could consider the BSC's objections. The ISTC national executive committee will review the position on Monday, the day when steel unions are due to meet the corporation to discuss closure plans. No date has been set for further pay talks.

Another attempt to get the unions to go to arbitration was summarily dismissed.

Mr. Sirs said — after the day-long talks at the headquarters — First lay-offs in food industry, *Page 3*

Miners' revolt grows

BY OUR LABOUR CORRESPONDENT

THE PITHEAD revolt by South Wales miners against their leaders' call for an all-out strike from Monday has continued to grow. By last night, 20 of the area's 38 pits had apparently spurned industrial action.

National Union of Mineworkers' leaders suffered a fresh embarrassment as they took stock of the rejection of their carefully prepared strategy for fighting proposed job cuts in the steel industry and increased imports of coking-coal. Dockers at Newport, Gwent, voted to lift their blocking of the Jezera, which has been waiting since Christmas to upload 18,000 tonnes of American coking-coal for Llanwern steelworks.

The Transport and General Workers' Union said the dockers felt there was no point in supporting the miners any longer since their voting in the pit-head ballot indicated they were not prepared to help themselves. The ship moved into a coal berth and unloading will begin today.

The final counting of the strike ballot today will be on a card vote rather than a pit basis. This means that, with many of the 27,000 South Wales NUM workforce not due to vote until today, the outcome is still open. But the National Coal Board said yesterday that the tide was "fairly strongly" against a strike and union leaders appear resigned to defeat.

OVERSEAS NEWS

Israel replaces pound with shekel

BY DAVID LENNON IN TEL AVIV

ISRAEL is to replace the Israeli pound with a currency named after the biblical shekel. The shekel, which will be issued on Sunday, will be worth 10 old pounds.

The exchange rate will not change from yesterday's rate of 1E33.80 (Shekels 8.88) to the pound sterling.

The secret decision to convert the currency was taken two years ago because the Israeli pound was falling against foreign currencies. During last year's triple figure inflation, the pound depreciated by 85 per cent against the dollar.

Mr. Yigal Hurvitz, the Finance Minister, said yesterday he hoped the nation would value the shekel, and that it would be a strong and stable currency.

Mr. Arnon Gafny, governor of the Bank of Israel (the central bank), said the currency change

was part of the battle against inflation.

Mr. Gafny also pointed out that the reform would have 1E130m this year in production costs at the national mint. Many coins in circulation cost more to produce than their face value.

Old coins and notes are expected to remain legal tender for a three-month transitional period.

The new notes will be in denominations of one, five, 10 and 50 shekels. They will have the same colours and bear the same images as the old 10, 50, 100 and 500 pound notes.

Mr. Hurvitz also announced tough measures to fight "the parallel black economy which has developed over the years and has become a cancer in the body of the nation." He said the vast sums of undeclared income and assets in the economy played a major role in feeding inflation.

Kennedy calls for ban on N-power

By Jurk Martin, U.S. Editor in Laconia, New Hampshire

SENATOR Edward Kennedy of Massachusetts, concerned that Governor Jerry Brown from California may draw off a critical silver of political support, is now stating bluntly that the U.S. should forgo nuclear power to meet its energy needs.

Senator Kennedy has this week been campaigning in advance of next Tuesday's primary election in New Hampshire. Nuclear power is an especially controversial issue here, and the Senator has said the nuclear option "is an idea whose time has passed" and that "there is no role for nuclear power in my energy future."

His aides insist this represents no radical departure from his previously publicised reservations about nuclear power. It is certainly true that he is on record as favouring a moratorium on plant construction, but his present advocacy of phasing out existing facilities has not been put publicly with such force before.

Special interest

President Carter's strategists predicted after the party caucuses in neighbouring Maine earlier this month — where Governor Brown rode anti-nuclear sentiment to a respectable third-place finish — that Mr. Kennedy would have to move to pre-empt Mr. Brown's special interest constituencies.

They believe that although the tactic may pay some dividends in New England, it will return to haunt the Senator in later primaries in bigger States where nuclear power is more widely accepted.

Mr. Brown, whose anti-nuclear credentials are impeccable, is contemptuous of Senator Kennedy's apparent conversion. He has dismissed the Senator's "ambiguous utterances" and challenged him to a proper debate on the nuclear option.

Desperately short of campaign funds and travelling without the usual trappings of a candidate, Mr. Brown is waging a lonely uphill but, in a sense, noble fight. It is generally thought that he will do well if he gets as many votes here as he did in Maine (13 per cent).

Most pundits give Mr. Carter a lead over Mr. Kennedy, though by nothing like the 20 per cent-plus margin recorded in some local polls. Certainly the Carter camp is being very careful not to raise expectations too high.

Effective campaigner

But in so far as a vote for Mr. Brown is usually one lost for Mr. Kennedy, the Senator cannot ignore the California governor. And in his sometimes shy, sometimes arrogant manner, Mr. Brown can be an effective campaigner.

When warmed up, as he was on Thursday night, before a smallish but sympathetic crowd in a renovated textile mill here, he can engage an audience in provocative debate. Although, like any politician, he does fall back on catch-phrases — nuclear power, he says, leaves "a legacy of cancer and bankruptcy" — he also has a flair for extemporaneous and conceptual argument on any subject under the sun.

His basic theme is that what he calls the Carter-Kennedy wing of the Democratic Party is barren of ideas to meet the challenges of a resource-scarce world.

His motives, mingling the principles of the left and right into a melange, are "saving, conservation, efficiency, and inventiveness" — all to be achieved by a combination of fiscal frugality, technological progress and a new set of national goals.

Soames concern for monitoring force

BY BRIDGET BLOOM, AFRICA EDITOR, IN SALISBURY

THE QUESTION of whether the British-commanded Commonwealth monitoring force should be withdrawn from Rhodesia within the next 10 days was discussed in Salisbury yesterday when Lord Soames, the Governor, met senior British military officers.

The discussion is thought to have covered the timing of the withdrawal and a possible British role in military retraining and rehabilitation under a new Government of Zimbabwe.

Immediate security questions in the final run-up to next Tuesday's black elections were also thought to have been discussed at the meeting.

Lord Soames is expected to face his most difficult task to date in the next 10 days. The three-day election will be followed by the announcement of the result, probably on March 4, after which the Governor must preside over the appointment of a Government.

British officials here insist no

decision has been taken, but Lord Soames seems to be facing conflicting military and political advice as to whether the monitoring force — which is primarily British — should be withdrawn before the election results are declared.

Those who advocate early withdrawal argue that those monitoring now at the guerrilla assembly camps could be in grave danger should the political parties to which the guerrillas owe allegiance be defeated.

In particular, they fear that were Mr. Robert Mugabe's ZANU-PF party to lose the election, or be excluded from a subsequent government coalition, his angry Zulu guerrillas, who now number some 18,000 in the camps, could hold hostage the 400-500 British officers and men monitoring them.

However, there appears to be a growing body of opinion here which holds that to withdraw the monitoring force before the

election results could upset the whole delicate settlement exercise.

Some of Lord Soames' political advisers believe that, while the 1,300-strong monitoring force is tiny in relation to the rival armies, it has succeeded in acting as a buffer between the guerrillas and the Rhodesian forces.

The advisers fear that, if the force were withdrawn before the election results, the guerrillas would feel themselves open to attack by the Rhodesians, and would leave the camps in large numbers, thus threatening a resumption of the civil war.

Some senior British officers serving with the force acknowledge that contingency plans must be made for evacuating the monitors, but they believe the best guarantee of stability until a government is formed is the continued presence of the monitoring force.

They also believe that, in the



Lord Soames wants guerrillas to stay in the camps.

event of Mr. Mugabe and Mr. Joshua Nkomo forming a government, the monitoring force, or elements of it, could have a role in training, rehabili-

tating and integrating the rival armies.

The final decision on withdrawal seems unlikely to be taken before next week, when Lord Soames hopes that both Mr. Nkomo and Mr. Mugabe will have issued new and unambiguous instructions to their guerrillas to remain in the camps until elections are over, and a government is formed.

The decision must be taken against a background of increasing military activity in the past three days of the election campaign.

The recent call-up of Rhodesian reservists has doubled the number of troops in the main operational areas of eastern Rhodesia, while military officials estimate that 3,000 armed guerrillas might still be outside the camps. Fights between the two sides are now approaching eight or nine a day in these areas, compared with only three or four a day earlier this month.

OPEC proposal to give Third World a new deal

A VANGUARD role for the oil producers in negotiating a new economic order on behalf of developing countries is fore-shadowed in recommendations drawn up by the Organisation of Petroleum Exporting Countries' long-term strategy committee.

The committee, chaired by Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, put the finishing touches to the report in London yesterday. It will be submitted to an extraordinary conference of OPEC oil Ministers in late April or early May, two years after work on it started.

Another meeting including foreign and finance Ministers will then be arranged to discuss the recommendations. It may

add others before the OPEC summit in Baghdad next October gives the report a top-level stamp of approval.

The committee has made proposals for automatic and regular increases in oil prices on the basis of indexes relating to inflation in the West, currency fluctuations and the growth of industrialised countries.

There are also plans to help cushion developing countries against future price increases. The committee is understood to have refined proposals for converting the OPEC Special Fund, to which \$4bn has so far been contributed, into a fully-fledged aid agency with the power to raise money on the international markets.

Iran leader warns rioters

BY OUR FOREIGN STAFF

PRESIDENT Abolhassan Bani-Sadr of Iran yesterday threatened harsh treatment for rioters as street fighting continued between rival Moslem groups in at least three cities. Hundreds are reported injured in two days of fighting.

The President told a crowd of more than 100,000 at mass prayers in Tehran: "Those who allow themselves to attack other groups under the pretext of supporting the Islamic revolution... will be dealt with like counter-revolutionaries."

His warning came as gangs of Moslem Hesbollahi (followers of the Party of God), fundamentalists, wielding knives, clubs and stones, attacked supporters of the radical Islamic Mujaheddin guerrilla movement in Qa'em Shahr (near the Caspian Sea), Shiraz and Gorgan for the second day running.

In New York it was reported that a five-member United Nations fact-finding commission set up to help resolve the crisis between the U.S. and Iran would leave for Tehran today and would spend about a fortnight gathering evidence.

UNESCO urges free news access

PARIS—A UNESCO-sponsored commission on international communications in its final report yesterday defended journalists' rights to free access to news sources, both official and unofficial, and said censorship should be abolished.

The commission also called for effective legal measures to ensure that "transnational" organisations, like international news agencies, conform with national laws and development policies.

The report, by a 16-member commission headed by Mr. Sean MacBride, the Irish jurist and former Foreign Minister, was the product of two years' work which was often surrounded by controversy.

The commission became a battleground between conflicting Western and Communist ideologies on press freedom and responsibility, and the report was a compromise.

French left split on presidency

By Terry Dods in Paris

M. FRANCOIS MITTERRAND, the French Socialist Party leader, and a long-standing advocate of a united left-wing front with the Communists, has for the first time indicated that he might break away from this hallowed electoral strategy.

His remarks come after a period in which M. Georges Marchais, the Communist leader, has made increasingly strong attacks on the Socialist leadership in a clear attempt to draw a stronger distinction between the two parties' policies.

M. Marchais has also gone out of his way to support the Soviet invasion of Afghanistan — roundly condemned by the Socialists.

Apparently referring to these attacks, M. Mitterrand said that, since the idea of the union was being rejected, the Socialists could not "eliminate" the possibility of governing alone.

But he went on to make it clear that he was not slamming any doors on the Communists,

THE 'CO-OPERATIVE REPUBLIC' CELEBRATES

Pessimism behind rejoicing

BY HUGH O'SHAUGHNESSY

IF Mr. Forbes Burnham, the Prime Minister, and his Government have their way, this weekend will see large-scale rejoicing among the 1m people of Guyana at the tenth anniversary of the proclamation of the country as a "Co-operative Republic."

Behind its protective dykes the low-lying tropical capital of Georgetown is beset by tens of thousands of lapel badges bearing the image of Comrade Burnham have been distributed. Today thousands of schoolchildren should show their political enthusiasm in the "Mass Games."

Among the flags and the officially-sponsored festivities, however, there is considerable fear about the political future of a country which has in the past been bitterly split between a city-dwelling Negro community—descendants of African slaves—and a rural population of predominantly East Indian descent, the progeny of "indentured labourers" imported from the sub-continent after the abolition of slavery.

The political forebodings are overblown with pessimism about Guyana's economic future. The country has been hard-hit by the international oil crisis, like the rest of the Commonwealth Caribbean with the exception of energy-rich Trinidad and Tobago. At present Guyana has few indigenous energy sources.

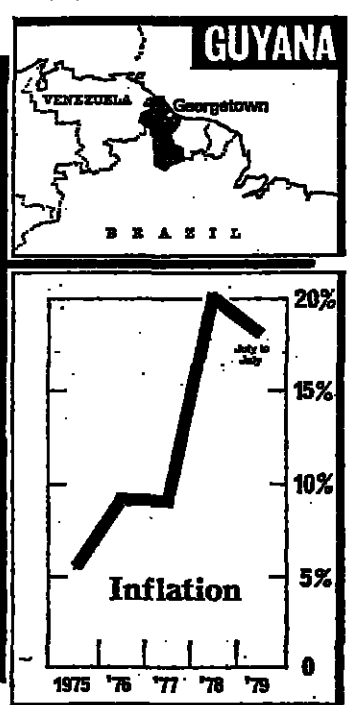
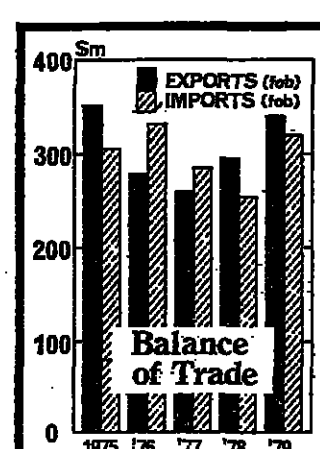
Pending the long-delayed and problematic financing of the multi-billion dollar Upper Mazaruni hydro-electric scheme, the country is highly dependent on imported oil. Only through the strictest import controls was Guyana able to throw up small trade surplus last year.

But with levies taken into consideration the current account balance, according to the UN Economic Commission for Latin America, was U.S.\$68m, in the red.

Prices for Guyana's exports, sugar and calcined bauxite, have not risen as fast as import prices, and last year the terms of trade worsened 4 per cent in comparison with 1978. At one point it was said that Guyana had money in the kitty for only a few days' imports.

Recourse was had to the International Monetary Fund (IMF) last year, but Mr. Burnham's Government had great difficulty meeting the conditions set. Any further IMF aid will doubtless be subject to even greater Government stringency than the Prime Minister imposed last year.

In the long-term there can be no doubt that the large agricultural, mineral and hydro-electric resources of a very thinly populated country could provide a decent living for the Guyanese. But that happy position will demand more capital than the country can presently raise at home or abroad.



While the short-term economic prospects are gloomy, however, the political crisis is more immediately worrying for many Guyanese.

On New Year's Day the Chronicle, The Georgetown Government's own daily newspaper, warned that the trend to violence in politics, and rumours that opposition forces were preparing to overthrow the Government, "could mark the start of a disturbing trend fraught with dangers in the coming year for Guyana."

For their part the Opposition on the Left and Right is already saying that Mr. Burnham owes his survival in power to violence and fraud.

A look back to the early 1980s, when Dr. Cheddi Jagan, an orthodox Moscow-line Communist, and his People's Progressive Party (PPP) were in Government in the colony of British Guiana, is informative. At that time Britain and the U.S. were nervous of Dr. Jagan's Moscow connection and did what they could to promote the cause of his former colleague, Mr. Forbes Burnham.

Though Mr. Burnham called himself a socialist, he did not have Dr. Jagan's allegiance to Moscow. The task he faced along with his People's National Congress (PNC) was to ease the fact that he could, as a Negro, attract much of the urban vote and control the capital. But the East Indians, despite no great understanding or liking of Leninism, polarised round Dr. Jagan in the countryside because he was an East Indian like themselves.

Since his victory over Dr. Jagan in 1964 Mr. Burnham, a flamboyant and autocratic leader, has used every ruse to maintain himself in power. In recent years these have become increasingly blatant, as the East

Indians have represented a growing proportion of the population and the Negroes a declining one.

What is more, Mr. Burnham's own popularity has been waning even within the PNC. There is no reasonable doubt that a referendum held in 1978 was grossly fraudulent and that the mass of the population did not want Mr. Burnham to have the greatly increased powers it gave him.

Last year Dr. Jagan's PPP joined in wide-ranging discussions with the radical "New Left" Alliance (WPA) and the Right-wing Vanguard for Liberation and Democracy, a grouping of small businessmen and landlords. They were aiming at united action in favour of clean elections. They also wanted a restoration of human rights, which they said were being eroded.

The whole protest movement has been sympathetically received outside Guyana, particularly among those who were shocked by the Burnham Government's links with Mr. Jim Jones, whose followers committed mass suicide in 1978.

In an effort to extricate himself, Mr. Burnham is to present a new constitution which would give him even greater powers than he has now. Given his record of managing elections, there is little doubt that he could produce majorities as overwhelming as any produced in Eastern Europe. The fear must be that if he did so the Guyanese would revolt—and violence, as the Chronicle hinted, would spread.

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World tourism growth of 4% in 1979

BY JOHN WICKS IN ZURICH

AT LEAST 270m tourists travelled outside their home countries last year, according to figures published by the Swiss Tourism Federation.

The figure, based on provisional estimates by the World Tourism Organisation, is an increase of about 4 per cent over 1978.

A similar growth—3 to 4 per cent—is reported in foreign visitors to European countries last year. In Switzerland itself, however, the number of arrivals fell by 1 per cent.

The Swiss Tourism Federation claims that most tourist countries and tour operators are "quite optimistic" about 1980 business despite

But growth is expected to be only moderate.

Statistics from the Organisation for Economic Co-operation and Development showing arrivals of foreign guests for several countries during varying periods of 1979 reveal a major setback for Yugoslavia.

Arrivals in Yugoslavia in the January-September period were down by 24.4 per cent on the

same nine months of 1978. Bed-nights accounted for by foreigners fell by only 4.5 per cent, however.

Arrivals also fell in Turkey (by 9.9 per cent over the first eight months), Norway (down 7.9 per cent for January-April) and Spain (by 2.5 per cent in the first 10 months) and dropped in Canada by 2.1 per cent in the first three-quarters.

By far the greatest increase shown by the figures was a rise by almost half in arrivals of foreign visitors in Portugal for the first nine months. Bed-nights rose at the same time by 9.1 per cent.

Growth rates exceeding 10 per cent were also reported in the first three-quarters by Greece, with 18.3 per cent, and Finland with 10.7 per cent.

One of the smallest growth rates in a comparison of first-half figures was 0.8 per cent for the UK.

But Britain still remained one of the world's top four destinations for foreign guests, together with Germany, France and the U.S.

UNIT TRUST AND INSURANCE OFFERS

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LEGAL NOTICES

No. 004083 of 1979
In the HIGH COURT OF JUSTICE
Chancery Division, in the Matter of
PVE OF LONDON LIMITED and
the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a
Petition was on the 4th February 1980
presented to Mr. Justice's High Court
of Justice for (a) the sanctioning of
a Scheme of Arrangement and (b) the
confirmation of the reduction of the
Capital of the above-named Company
from £18,000,000 to £16,084,147 by
canceling Shares in accordance with
the terms of the said Scheme of
Arrangement. The said Scheme of
Arrangement provides that the
sum of £2,915,855 arising on the
proposed reduction of capital shall
be carried to a Special Reserve.
AND NOTICE IS FURTHER GIVEN that
the said Petition is directed to be heard
before the Honourable Mr. Justice
Dillon at the Royal Courts of Justice,
Strand, London, W.C.2, on Monday the
3rd day of March 1980.
ANY Creditor or Shareholder of the
said Company desiring to oppose the
making of an Order for the confirmation
of the said reduction of capital should
appear at the time of hearing in person
or by Counsel for that purpose and
be furnished to any such person requiring
the same by the under-mentioned Solicitors
on payment of the regulated
charge for the same.

Dated the 22nd day of February 1980.
SLAUGHTER AND MAY,
of 25 Abchurch Lane,
London EC4V 3BB,
Solicitors for the said Company.

COMPANY NOTICES

BANQUE NATIONALE
DE PARIS.
Floating rate note issue of
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February 22nd, 1980 and last by
reference rate is 15% annually.

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UK NEWS

BNOC sale will cost Exchequer 'millions'

BY RAY DAFTER, ENERGY EDITOR

GOVERNMENT PLANS for reorganisation of British National Oil Corporation could rob the Exchequer of hundreds of millions of pounds over the next 20 or 25 years, Mr. James Callaghan said yesterday.

The Labour leader said Government plans to inject private capital into the State corporation would be tantamount to selling part of the equity that now belonged to the nation.

By selling 25-30 per cent of the corporation the Government might raise a once and for all sum of £500m-£600m. But it would be "giving away revenues from now until the oil runs dry."

"And yet it is this same Sir Keith Joseph who dares to lecture the rest of us about damaging our own and the nation's long-term prospects," he said.

Mr. Callaghan was addressing the Fabian Society's conference on energy and the world economy, in London.

He said a Labour Government would renationalise BNOC and bring back these precious assets into the national treasury.

"There is no need for this sale to take place," he said. "BNOC does not need the capital. There is no pressure from the public. This is a pure plea of conservative dogma."

Dr. David Owen, shadow Energy Secretary, told the conference that if the Government's equity stake in BNOC was reduced by, say, 25 per cent, the State could lose access annually to as much as £250m-worth of profits by 1983-84.

In addition, the corporation would no longer bank with the Government and the Exchequer's national oil account would lose the substantial deposits of BNOC's working cash flow.

Dr. Owen said the Public Sector Borrowing Requirement would benefit more if BNOC continued its policy of forward oil sales.

However, he said, the case

against sale of BNOC shares was not primarily related to financial considerations. There was a need for a State-owned company to help safeguard the national interest.

"It is a case recognised fully by the Norwegians and most oil-producing countries in the world. Oil has now become a major influence in foreign policy; oil deals are frequently made between companies," he said.

Dr. Owen said "privatisation" of BNOC would reduce the Government's powers to postpone production from North Sea fields in which the corporation had an equity interest. The Government would need these powers if it adopted a tougher oil depletion policy.

"The Government is rightly edging itself towards a tough depletion policy," Dr. Owen said.

Mr. David Howell, Energy Secretary, is expected to announce his plans for BNOC within the next few weeks.

Orders likely for 16 platforms

BY OUR ENERGY STAFF

THE OFFSHORE oil supplies industry could receive orders for 16 new platforms next year, according to a new North Sea study. The orders are potentially worth hundreds of millions of pounds and contrast sharply with the slack market conditions in recent years.

Stockbrokers Wood, Mackenzie lists nine projects which could receive development approval next year. Some would require several platforms although, as Wood, Mackenzie points out, they may be small compared with some of the giant platforms already installed in the northerly part of the North Sea.

The list includes: Total's Alwyn Field (one steel or concrete structure); British Petroleum's Andrew Field (fixed steel or floating structure); Shell's South East Auk

discovery (small steel platform); Shell's Indefatigable gas field extension (small steel platform); Amoco's South Montrose Field (small steel platform); British Gas Corporation's Murchison gas field (five or six small steel platforms); British Gas's proposed Rough gas field development (three small steel platforms); the Phillips development on "T" block of the North Sea (one fixed platform and two or three floating units); and British National Oil Corporation's field in block 30/17b (fixed steel platform).

In addition, Wood, Mackenzie foresees three platform orders this year: Mobil's Beryl "B" and (one fixed steel structure); Marathon's Brae Field (steel platform); and Amoco's Hutton Field (tension legged steel platform).

Fabian group calls for new capital tax

BY TIM DICKSON

A WEALTH TAX and the treatment of capital gains as income are among proposals in a Fabian Society pamphlet "Taxing Wealth Inequalities."

The pamphlet argues that the cuts in capital taxes which are expected in next month's budget will widen inequalities and increase the income tax burden for the rest of the working population.

Challenging the assertion by the Chancellor of the Exchequer, Sir Geoffrey Howe, that capital taxes are oppressive, the pamphlet says that these taxes actually halved as a proportion of total tax revenue between 1974-79.

Capital Transfer Tax, for example, accounts for less than one fifth of 1 per cent of per-

sonal wealth holdings, while the investment income surcharge now raises little more than a penny in the £ of all direct taxes.

The pamphlet says that despite the growth of house ownership in recent years the concentration of wealth in Britain remains extreme, with the richest 1 per cent of the population owning a quarter of Britain's personal wealth and the top 10 per cent two thirds.

It recommends increasing the effective rate of the investment income surcharge (to favour earnings) and abolishing capital gains tax.

Capital gains, however, would be treated as income with the net effect of closing the current loophole for those who convert income into capital gains.

Submarine order to Ultra

ULTRA ELECTRONIC Communications, a subsidiary of the Dowty Group, has won a £14m order from the Ministry of Defence for advanced submarine detectors.

The order for "sonobuoys" is the largest the company has had. It is for two types of sonobuoy, one expected to be used with the RAF's Mark 2 Nimrod aircraft.

Ships for Crescent

COCHRANE Shipbuilders, one of the private enterprise shipbuilders, has an order for two 1,740 dwt bulk cargo ships, understood to be worth more than £25m, from Crescent Shipping of Rochester. One is due for delivery before the end of the year, the second by next spring.

Solicitors' claim

THE HIGH COURT reserved judgment on a claim by Mr. James Swain and Mr. Alan McLaren, two solicitors, that the Law Society exceeded its legal powers in setting up a compulsory scheme to insure solicitors against civil liability for professional negligence or breach of duty. Mr. Justice Slade did not say when he would give judgment.

Automation jobs

THE HONEYWELL company opened a £12m automated high-technology unit at Newhouse, Lanarkshire, for assembly and testing of printed circuits for programmers and process control systems. The staff of 35 is likely to increase to 125 in 18 months.

Provos out' move

Legal attempts by Northern Ireland's public housing body to evict Provisional Sinn Féin political wing of the Provisional IRA, from its headquarters and Belfast office in Falls Road, Belfast, will be made at Belfast Magistrates' Court in ten days' time.

Road priorities

MR. NORMAN FOWLER, the Transport Minister, opened the £22m Cambridge Western bypass. He gave three road spending priorities: industrial routes, "above all the M25 orbital motorway round London"; improving quality of life for people on major routes; maintaining investment already made.

Clean Queen Street

GLASGOW Queen Street Station took top place for the first time in British Rail's annual Care, Courtesy and Cleanliness competition for principal passenger stations in Scotland. Perth was second and Edinburgh Waverley third.

More UK news
Page 15

Fine Fare buys 52 stores for £3.6m

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FINE FARE, the Associated British Foods supermarket chain, yesterday bought 52 small grocery shops from International Stores in a deal worth £3.6m.

The move strengthens Fine Fare's position at the cut-price end of the grocery market in the south, while it concentrates on its large-store expansion programme in the north.

At the same time, the London Co-operative Society—the second largest retail co-op in the country with a turnover of £215m in 1978—announced that it was pruning even further its very small and uneconomic grocery shops. Some 25 small shops are to be shut down on top of other closures in the past year.

The 52 shops bought by Fine Fare presently trade as "Pricerite" stores. However, these shops are not the same as the 100 stores acquired by International for £3m in 1973.

However, in 1977 it decided to turn a number of its small shops in limited-range discount stores and thus International revived the Pricerite name. Limited-range discount stores only carry up to 500 different grocery products—compared with several thousand

in a large supermarket—and depend on a high-turnover to sell at very low prices.

The major supermarket groups such as Tesco, however, remain sceptical about the value of such limited-range shops. The believe that the shopping pattern for the 1980s is to have large supermarkets which can sell at low prices because of their massive volume sales.

Fine Fare, which has also established a chain, called Shoppers Paradise, of 131 limited-range shops wants the 52 Pricerite shops to supplement these stores. But International will continue to operate the remaining 92 Pricerite shops in the north of England.

Meanwhile, the London Co-op is continuing its battle to restructure its operations to meet the challenge of the major High Street supermarket multiples. The society had a top-level management reshuffle last summer after losing £1.8m in its last financial year.

The new chief executive, Mr. Frank Doherty, has already closed a number of small stores and has turned others into limited-range discount shops. These are known as "Price-fighter" shops.

Southend East poll campaign launched

BY RICHARD EVANS, LOBBY EDITOR

THE START of the Southend East by-election campaign, which should give an indication of the degree of public support for Government policies, was launched yesterday with the moving of the writ by the Government in the Commons. Polling will be on Thursday, March 13.

It should mean the return to Parliament of Mr. Teddy Taylor, former Shadow Scottish Secretary, and one of Mrs. Thatcher's closest lieutenants, although the Conservative majority is expected to be cut substantially.

At the General Election, Sir Stephen MacAdden, who died in December, had a majority of 10,774. But Mr. Colla George, the Labour candidate and Mr. David Evans, the Liberal, expect to gain substantially from the Government's unpopularity caused by inflation, high interest rates and mortgages and industrial unrest.

In an attempt to steady the nerves of supporters, an unpalatable economic measures take effect, the Conservative Party is to launch a nationwide poster campaign next month at a cost of £80,000.

The campaign slogan will be: "If you care about Britain, keep it out of the red." and one of the main aims will be to re-assure first-time Tory voters who are showing early signs of disenchantment.

Latest opinion poll findings suggest substantial defections from the Conservatives to the Liberals and a recovery in Labour Party fortunes.

The Southend by-election should show whether this trend, which has come ominously early in the Parliament from the Government's viewpoint, is accurate. The election date has been chosen deliberately in advance of the Budget on March 26, which is unlikely to prove popular with voters.

Newman Industries chief takes leave of absence

BY JOHN MAKINSON

MR. ALAN BARTLETT, chairman of Newman Industries, has taken leave of absence from the company with immediate effect after the High Court ruling earlier this week that he should pay damages for conspiracy.

The board said yesterday it had accepted "with thanks" Mr. Bartlett's offer to take leave. It will make a further announcement after it has received and considered an official transcript of Mr. Justice Vinelott's judgment. The statement did not indicate whether Mr. Bartlett was considering resigning from the Newman board or appealing against the judgment.

The High Court ruling was on an action brought by Prudential Assurance against Mr. Bartlett, Thomas Poole and Gladstone China and Mr. John Laughton, a former vice-chairman of Newman. The Prudential claimed that a circular issued by Newman in 1975 was misleading and sought damages from Mr. Bartlett and Mr. Laughton for conspiracy. Both claims were upheld by the judge.

The Newman circular proposed the purchase from TPG of a package of assets and liabilities. The price paid was £325,000, figure which the judge said was at least £450,000 above its market value.

Engineering shows sharp recovery after dispute

BY LISA WOOD

PROVISIONAL FIGURES for sales and new orders in November for the general engineering industries showed a "sharp recovery" after the industrial disputes of the preceding two months, according to official figures published today.

The Department of Trade's magazine British Business said provisional seasonally adjusted figures for sales and new orders indicated a sharp recovery from the poor levels of the previous three months, which were caused, at least in part, by the industrial disputes of August, September and first week of November.

The recovery of sales was both stronger and earlier in the export market than in the home market although in neither case had the peak June figure been exceeded.

Machine tools improvement

BY LISA WOOD

A DROP in machine tool sales eased last November, according to official figures released yesterday.

The magazine, British Business, says export sales seemed to improve in the three months period up to November.

The industry's official magazine said the picture for the home market was not yet clear but the figures for October and

November—according to seasonally adjusted figures—showed a considerable improvement.

The trend of new orders was upward since February, reaching their highest level in November for almost three years. But the trend of new orders in the home market declined severely since July—total new orders followed a similar pattern although the decline was less marked.

Canning factories lay off 1,400

BY ELAINE WILLIAMS

MORE THAN 1,400 workers in the food processing industry are being laid off as the effects of the steel strike spread.

Yesterday 500 of the Co-operative Society's 600 workers at its canning plant in Lowestoft, Suffolk, were laid off after supplies of tin cans ran out.

On Friday, Spillers, part of the Delagay group, will lay off 800 workers at two of its pet food factories at Wisbech, Cambridgeshire, and Barrhead, Glasgow.

Other plants affected are those of Sunley HP in Spalding and Lockwoods' Foods in Lons Sutton. These Lincolnshire factories have laid off 50 and 45 workers respectively.

Pedigree Petfoods, part of the Mars group, warned yesterday that its stocks of cans would barely last a week and it would soon have to consider reducing production. It has 2,500 workers at two factories in Peterborough and Melton Mowbray.

Spillers said its was increasing production of biscuits and other boxed pet foods and had made large deliveries of tinned pet foods to supermarkets to ensure counter supplies until mid-April.

Supplies of cans for food processing will be depleted further next week. Metal Box, the largest can producer in the UK, says it can meet only a third of the food industry's demands, although orders for beverage cans will still be met.

Overall, Metal Box will lay off 4,500 of its 15,000 employees, affecting 14 of its 24 factories. From Monday, 915 workers at its two Hull plants are to share the work; there will be no layoffs, but only 50 per cent of the workforce will be on duty at any one time.

EEC cash offers hope of reprieve

By Robin Reeves

THE EUROPEAN Commission's offer this week to examine the speed and scale of the British Steel Corporation's redundancy programme has added a new dimension to current efforts to sort out the problems of the steel industry.

Commission officials are quick to stress they have no intention of poking their noses into the steel pay strike. It is the redundancies which have prompted Brussels' interest.

Commission officials are, to say the least, "astonished" at the pace of the corporation's plan to put its house in order by making 52,000 workers redundant by the end of August.

Mr. Henk Vredeling, the Brussels Commissioner for Social Affairs, has said that three years would be a more reasonable timetable for a cut of this scale. "There are some doctors who do not prescribe," he said.

After meeting Mr. Vredeling and Viscount Etienne Davignon, the Brussels Commissioner for Industry, on Thursday, TUC leaders and BSC's chief executive, Mr. Bob Scholey, said they had agreed to return to Brussels within the next few weeks to explore the possibility of achieving a less drastic reduction of BSC's labour force.

Output up in EEC

By James McDonald

TOTAL STEEL production in the EEC increased by 0.3 per cent to 10,517,000 metric tons last month despite the effects of Britain's national steel strike, which began on January 2.

UK private steel manufacturers produced about 300,000 tons of steel last month, compared with total steel production of 1,409,000 tons in January 1979 and 1,461,000 tons in December 1978.

International Iron and Steel Institute estimates published yesterday suggest that in January West German steel production was 22 per cent higher, at 3,444,000 tons, than in January 1979. French output was 12.4 per cent up at 2,225,000 tons, and Belgian increased by 10.1 per cent to 1,176,000 tons.

Though U.S. steel production in January, 9,667,000 tons was 3.7 per cent lower than January, 1978, it was 600,000 tons higher than in December. The institute says this "relative strength" appears to indicate that the expected recession has not yet hit the capital goods and construction sector.

Japanese output last month was 9,971,000 tons, 368,000 more than in December and 437,000, or 4.7 per cent, more than in January, 1979.

Other countries had a 7.8 per cent increase over the year to 9,753,000 tons, helped mainly by rises in Brazil, Australia and South Korea.

LABOUR

British Shipbuilders GMWU leaders reject 11½% offer

BY PAULINE CLARK, LABOUR STAFF

REPRESENTATIVES of the 18,000 workers in British Shipbuilders threw out an 11½ per cent offer for a satisfactory improvement in productivity.

The 15-month deal from last January would give an average increase of £11 a week for skilled men at a cost of £52m, but is described as self-funding through cuts in overtime.

Redundancies are said to be not strictly part of the self-funding deal.

But it was agreed that 3,000 jobs out of the present 80,000 would go on a voluntary basis. This is the third surprise rank-and-file reaction to a major national pay offer recommended at national level in the GMWU during the past fortnight.

This is the third surprise rank-and-file reaction to a major national pay offer recommended at national level in the GMWU during the past fortnight. Representatives of gas-workers rejected a 15-18 per cent offer; those of water-workers rejected a 19.2 per cent increase before Thursday's 21.4 per cent settlement.

British Shipbuilders' problems are reminiscent of those in the nationalised steel industry. Mr. John Chalmers, secretary of the Boilermakers' Society and chairman of the confederation's shipbuilding committee, himself drew attention to the enterprise's serious order position as negotiations got under way earlier this month.

Other unions in the industry, including the boilermakers, the electricians' union, and blue-collar workers in the engineering union, are expected to abide by their agreement to the deal at national confederation level.

The differentials problem, he said, arose from the construction of the pay offer. This gives a £150 lump sum payment in March for skilled men, with pro rata increases for other grades, and a further 10 per cent

Left-winger to seek AUEW presidency

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. BOB WRIGHT, Left-wing assistant general secretary of the Amalgamated Union of Engineering Workers, yesterday said he will challenge Mr. Terry Duffy for the union presidency this year.

His declaration comes when he is at the centre of a controversy over compilation of research material critical of the AUEW's Right-wing executive.

Two research staff who prepared the material were dismissed on Tuesday for gross misconduct. Mr. Wright, who commissioned the material, has been instructed to appear before the executive next week.

Mr. Wright said his decision to contest the presidency had been influenced by a conviction that there was a "serious void" developing between our membership and leadership, which can only reflect on the role of the union in society and the industrial in which our members are employed.

The economic well-being of AUEW members, and working people generally, was in deep decline, Mr. Wright said. "I believe our membership realises this and expects the closest possible unity to be created, which is the role of leadership and which has been lacking in our union."

Mr. Wright was defeated by Mr. Duffy when he ran against him for the presidency two years ago. But Mr. Wright said a substantial number of officers, districts and branches had agreed that he should contest the post again. Nominations will be called in April for a first ballot in the autumn.

The AUEW Right-wing has made substantial gains in recent years. The union has an all-moderate executive for the first time in many years.

Indications are that the union's important policy-making national committee—which last year split 26-26 between Left and Right-wingers—will have a clear Right-wing majority this year, probably of 30-23.

This is particularly significant this year because the 1980 committee, which meets in Blackpool in April, will hold the union's five-yearly rules revision meeting.

London dock strike ends

BY OUR LABOUR STAFF

THE TWO-WEEK STRIKE in the London enclosed docks ended yesterday. A mass meeting of stevedores and dockers accepted a revised pay offer which employers estimate is worth 14 to 15 per cent.

Tally clerks accepted the deal in a separate meeting. Other members of the Transport and General Workers' Union who did not strike but

refused to cross the stevedores' picket lines will ballot on the offer next week.

The dispute is estimated to have cost the already financially troubled port about £1m a week in lost revenue.

About 30 ships were diverted to other ports.

About 1,000 men in the National Amalgamated Stevedores and Dockers were on strike.

by rate for up to eight hours was increased from 68p to 22, the Saturday and free-day rate from £1.02 to £3 and the Sunday, rest day and public holiday rate from £1.36 to £4.

The unions' policy is for stand-by payments to be abolished, but they agreed to the compromise of substantial increases only if there was an agreement with health authorities to keep the amount of stand-by duty at its present level.

NUPE is having difficulty with one authority in Cornwall on this issue and is delaying signing the deal until the authority has made plain its intention not to increase the duty.

The deal, which will be backdated to January 1, when signed, gives increases of 10.6 per cent on basic rates. It will take the basic rate of a trainee ambulance man from £53.02 to £59.05, and that of a leading ambulance man from £66.50 to £74.77.

These rates will be further increased from April 1 by the payment of the second stage of the Clegg comparability award, which will take the two rates to £82.75 and £82.97 respectively.

Tax system change 'will save £2m'

FINANCIAL TIMES REPORTER

SIR DEREK RAYNER, the joint managing director of Marks and Spencer, drafted in by Mrs. Margaret Thatcher to cut Civil Service waste is showing signs of success at the Inland Revenue.

Proposals which the Inland Revenue says will eventually lead to a saving of 350 staff and a £2m reduction in costs in a full year are being implemented.

Sir Derek made a detailed examination of how the Pay As You Earn tax system works when employees change jobs. Altogether 3,000 Inland Revenue staff are involved in this operation which costs about £16m a year.

The recommendations involve radical changes to the P46 form procedure. The P46 is used

when an employee is unable to produce a P45 form when he takes up a new job.

The P46, says Sir Derek, is wasteful, firstly in the issue of complicated tax returns. Drafts of a simplified coding questionnaire which would be ideal for use in these cases instead of a tax return are now being produced. The second area of waste in the P46 procedure involves the needlessly cumbersome tracing process when with a little effort a P45 with all the required information could be obtained.

The Inland Revenue say the changes to the P46 system "will bring benefits to many taxpayers, who will be bothered by fewer unnecessary or complicated forms, and to the Revenue." Employers will be virtually unaffected.

Record £110,000 paid for Wadsworth painting

THE ONLY known painting in the artist's style by Edward Wadsworth, signed and dated 1915, and entitled "Vorticist Abstraction," sold at Christie's yesterday for £110,000, a record for any work by a modern British artist. The buyer was a private Swiss collector who will have to pay an additional 11.5 per cent in buyer's premium and VAT.

There had been no previous record of a Wadsworth painting at auction for much above £1,000. It is the rarity of the painting, taken with the current popularity of vorticist works, which accounts for the price.

The vendor was a collector who acquired the painting among a number of sporting prints and quickly disposed of it.

Other high prices in the sale

of modern British pictures were in line with expectations. "Racing in the Solent" by Montague Dawson sold for £10,000; "Cheetah in the Bush" by David Shepherd for £8,500; and "Summer Evening, Pin

SALEROOM

BY ANTONY THORNCROFT

Mull, Norfolk" by Edward Seago for £3,000.

All the fixtures and fittings of a 19th century chemist's shop in Alnwick, Northumberland, were sold at Sotheby's Belgraveia yesterday for £4,500 to Sterling Winthrop, the pharmaceutical group

THE WEEK IN THE MARKETS

Standing firm amid the gloom

The London markets have not been at their fittest over the past week, but by international standards their performance has not been too bad. Gilt-edged has held their ground when every other major long bond market in the world has been falling, and equities have eased only slightly.

Central banks all over the world appear to be engaged in one of their co-ordinated fits of tightening money: as interest rates rise in the U.S., attracting funds back into the dollar, other countries raise their rates to prevent their currencies from falling, and to stop their import bill for oil—generally in dollars—from rising too much. Japan and France have raised rates since the Federal Reserve acted in New York a week ago, and the Swiss have made it clear that they are no longer trying to stop speculative flows into the Swiss franc.

The result has been a crash in the U.S. bond market, and serious falls elsewhere. Gilt-edged has remained steady, however, largely on hopes that the Budget will contain a lower target for public borrowing in 1980/81. This in turn should allow UK interest rates to move lower at last; someone, after all, must lead the world out of the upward spiral in the cost of credit.

Sink or accept

Shareholders in Armitage Shanks should now accept the

takeover bid from Blue Circle Industries. Yesterday, the bidder disclosed that holders of just over 30 per cent of Armitage's shares had accepted the offer by the first closing date. Together with the 15 per cent already owned outright, that takes acceptances up to over 45 per cent. At the same time, Blue Circle has now firmly committed itself to the current terms—which means that under

LONDON

ONLOOKER

the takeover rules it could not offer more even if it wanted to.

However, Armitage's biggest single shareholder is still Ceramics Investments, a Middle East controlled company with over 28 per cent of the votes, and it has said that it will not accept the bid in present circumstances. It argues that the terms are too low, and that it is prepared to stay on as a minority shareholder. It has already had various discussions with Armitage about the scope for co-operation in the Middle East.

According to Armitage, these talks were rather vague—and the company has clearly been unsettled by the speed with which Ceramics has built up its stake. It only had 21 per cent

when Blue Circle first showed its hand. Armitage is obviously worried about how Ceramics might seek to use its influence if Blue Circle's bid failed, and it has strongly recommended shareholders to accept the offer without further delay. Ceramics is not going to make a bid itself, and any third party would surely have showed its hand by now. Moreover, Blue Circle's terms do look reasonable, whatever Ceramics says. They value the company at a small premium on net asset values, and at roughly 75 per cent more than the market price before the bid was announced. If Blue Circle were to walk away, Armitage's shares would sink like a stone.

Textile trauma

When a Trade Secretary is as resolutely a free trade supporter as Mr. John Nott, the only inference to be drawn from his announcement of import quotas during the week is that the textile industry is facing serious problems. Mr. Leonard Regan, chairman of Carrington Viyella, would certainly agree.

As president of the British Textile Confederation, Mr. Regan can speak for the industry at large. But the publication of Carrington's annual results was quite bad enough to do his talking for him.

After a second half pre-tax profit slump from £9.42m to £3.4m, Carrington was down at

£8.49m against £14.51m last year but, despite a drastic 35 per cent dividend cut, the shares are still yielding around 10 per cent.

There are one or two more encouraging features. The shirts, dresses, lingerie and household textiles businesses have been holding up reasonably well, but Carrington has suffered badly at the hands of cheap imports, particularly the goods of the EEC's Mediterranean associates.

The group is aiming to eliminate £3m to £4m of its losses in these problem areas and a determined drive is underway to lift the carpet range up-market.

It must be hoped that re-organisation costs, which leapt from £702,000 to £2.44m, will fall substantially this time but there is little immediate prospect of reversing the swift rise in debt servicing costs despite a projected £3.6m fall in capital spending to £8m. The balance sheet is, after all, well over 50 per cent geared. For the meantime, Carrington is reasonably happy with the demand picture at the top end of the market but Mr. Regan is only too well aware that the new textile import quotas agreed during the week make no provision whatsoever for the tufted carpet industry, and the limit set this year for man-made yarn imports is substantially higher than the last year's.

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Persistent Pru

A judgment by Mr. Justice Vinelott in the high court this week appears to have vindicated the Prudential's unprecedented decision to sue its immense financial influence in the defence of small shareholders.

The judge found in favour of the Pru on all counts and also wrote a new chapter in company law by allowing a so-called "derivative action" to be brought against the defendants, Alan Bartlett, John Laughton and the Thomas Poole and Gladstone China group. He allowed the Pru to be awarded damages in the name of Newman Industries, a company in which Mr. Bartlett and Mr. Laughton held the posts of chairman and vice-chairman, because the two men had "de facto" control of Newman. Until now, a plaintiff had needed to establish that directors had voted control (i.e. 51 per cent) before being awarded damages.

The case has been long and labyrinthine. It dates from 1975 when Newman issued a circular to shareholders propos-

ing the purchase for £225,000 of a package of assets and liabilities from TPC, a company in which Mr. Bartlett and Mr. Laughton held a 35.8 per cent stake and where they held the same posts as at Newman.

The Pru alleged that the circular was tricky and misleading and claimed damages from Bartlett and Laughton for conspiracy. The judge upheld the charges this week and said that in his view the package was worth at least £450,000 less than Newman paid for it.

He also allowed the conspiracy claim, saying that the Bartlett/Laughton plan was "a conspiracy knowingly and wrongfully to injure Newman and the shareholders of Newman". In the course of his 35,000-word judgment, he criticised Mr. Peter Cooper, a partner in Deloitte, for making an insufficiently critical valuation of the package, and suggested that the Stock Exchange look into its regulations covering transactions in which directors have a material interest.

Wardle waits

Mr. Graham Ferguson Lacey is not a man to rush things. At the end of last month, he was hoping to tie up a £40m stake in Lomro within a week.

Negotiations continue. A couple of days later, his privately-owned Birmingham and Midland Counties Trust announced a £4.1m bid for the outstanding 70 per cent of the shares in plastics company, Bernard Wardle. The offer document, due to follow "as soon as possible," is still awaited.

At the time that BMCT's offer was being communicated, the Bernard Wardle board was meeting to confirm closure of its Caernarvon-based Everflex subsidiary. In the event the decision was not suspended, and the company's preliminary figures announced on Thursday incorporate a provision of around £500,000 to cover closure costs.

The factory is valued at £540,000, this last year, although this has not been confirmed. The BMCT offer will be 28 days old on Tuesday. Arbutnot Latham, acting for BMCT, says it hopes to have its offer document out on or soon after that day.

The Wardle board has so far advised its shareholders to take no action, pending the offer document. Mr. Lacey has in turn refrained from intervening in the Caernarvon closure. But with net tangible assets of 53p per share, according to the last annual report, against the BMCT bid of 35p, there would seem to be considerable scope for discussion.

After all the euphoria, a chill wind in Wall St.

IN THE light of the shake-out on Wall Street this week, it seems extraordinary that only 10 days ago they were hailing stocks as "the new hedge against inflation."

The Dow Jones Industrial Average had topped 900 for the first time since few people could remember when, and the newspapers were full of articles describing how stocks had finally reassessed themselves over "tangibles" and other newly fashionable havens for funds.

Leaving aside the fact that the sentiments were proved wrong by events, it is strange that this glowing view of stocks caught on at all. As the more hard-nosed among the Wall Street community pointed out, stocks can only outpace inflation if the underlying trend in industrial profitability does too.

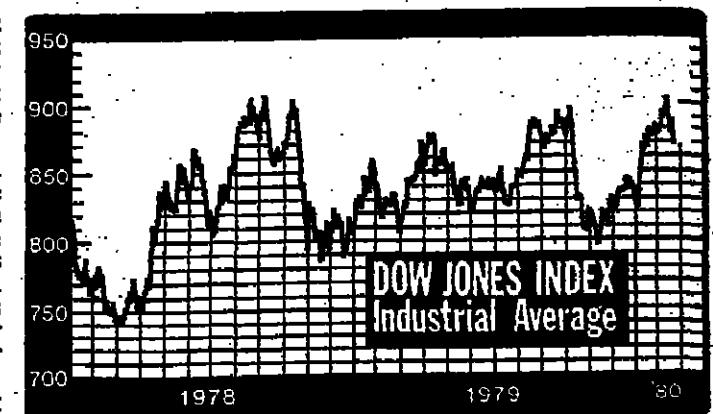
But the outlook for company profits is uncertain to say the least. With inflation well into double digits and interest rates far above their previous record highs, any lasting increases in real profits will be hard to come by.

However, the new euphoria over stocks was brief. After the profit-takers moved in in the middle of last week the Dow quickly fell back through 900 again and wiped out in a few days the gains it had so laboriously accumulated over the previous six weeks and though some analysts are still talking about a technical correction, the optimistic view on stocks must be hard to sustain in the face of the new pessimism which crept through Wall Street like a chill this week.

The trading week (shortened by a holiday on Monday) began with a couple of nasty shocks. At 9 a.m. on Tuesday the Government announced that producer prices (at the factory gate) for January had gone up at an annual rate of over 19 per cent, far more than expected.

A few minutes later, the Federal Reserve Board announced a further tightening in its credit policy. It jacked the discount rate up from 12 per cent to a record 13 per cent. This triggered further rises in the prime rate. By yesterday it had reached 16 per cent, also a record.

The Dow's decline of nearly nine points that day further weakened the inflation-hedge argument for stocks by showing that they are still vulnerable to and not tempted by bad inflation news.



The market managed a respectable rally on Wednesday, but this was due to good news on the oil discovery front rather than to any brightening in underlying market sentiment.

The news related specifically to an offshore find off New England which has excited the market for several weeks. Although the well there, called Hibernia, is still at an early

earnings expectations some years out, and with the loosening of the world oil market, oil prices may show fewer real gains in the years to come than they have in the past two or three.

The market must also get to grips with the implications of the windfall profits tax on oil company earnings which was finally hammered out in Congress this week.

In casting round for promising new sectors, energy analysts have begun to look at companies developing technology which will make better use of energy. This is likely to be an energy policy priority in the years to come and will benefit from some of the revenues from the windfall profits tax.

The market itself is still grappling with a highly uncertain economic outlook.

Although the pace of economic activity remains surprisingly strong, the Fed's credit tightening action this week reinforces the likelihood that the long-heralded recession will materialise sooner rather than later. The move was also a sign that the authorities are prepared to act to damp the economy down in spite of the political pressures of election year.

The significance of the move is that it brings interest rates up to levels that are comparable with inflation, thus finally giving investors a chance to earn yields that provide a real return.

This could be bad news for the stock market, since it may finally lure investors away from shares and back to fixed income securities. However, there is no sign of that happening yet.

Monday Close Change
Tuesday \$74.02 - 8.96
Wednesday \$84.56 +10.54
Thursday \$68.52 -12.34
Friday (noon) \$68.96 + 0.34

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1979/80	1979/80	
	Today	on Week	High	Low	
F.T. Ind. Ord. Index	454.2	- 8.4	558.6	406.3	Unresolved steel strike
Booker McConnell	250	- 28	370	218	Broker's sell recommendation
Burmah Oil	235	+ 33	235	82	Bid speculation
Calsonic Offshore	295	+155	295	30	Spec. demand/thin market
Carrington Viyella	15	- 21	361	141	Lower profits/cut dividend
Dale Electric	94	- 20	168	94	Poor int. results
De Vere Hotels	250	+ 25	262	177	Speculative buying
Dixons-Strand	15	- 9	56	15	Persistent selling
Gillett Brothers	165	- 40	276	165	Poor results/div. cut
GKN	250	- 17	308	226	Steel dispute
Haema Gold	43	+ 8	75	20	North American unit finds gas
Jones (Ernest)	230	+ 38	255	149	Annual results & capital proposals
MIM Holdings	280	- 17	314	134	Downturn in metal prices
Magnet Metals	53	+ 101	65	14	Gold/diamond hopes
Morgan Edwards	133	+ 13	139	74	L. C. Edwards merger terms
Polly Peck	191	+ 31	191	6	Hopes of "shell" operation
Savoy A	140	+ 14	140	74	Speculative buying
Shell Transport	382	+ 14	402	278	Results due shortly
Stylo Shoes	170	- 20	253	66	Profit-taking
Westminster & Country Props.	43	+ 4	43	25	Increased profits and div.

A deceased trustee

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I am Executor of an estate where the deceased was trustee of three trusts (from which his estate does not benefit in any way). Do I take his place as trustee in process of the law?

You do not become a trustee of any trust of which the deceased was a trustee; nor are you in any way concerned with any of those trusts. The remaining trustees carry on without any recourse or reference to the estate of the deceased trustee.

Stealing holly and blackberries

Around Christmas time many house owners are bothered by members of the public who consider they are entitled to cut and take away holly berries which are growing alongside the road.

I understand that holly growing within a private boundary but overhanging the fence into the road may be cut by the public as it is a nuisance. However, it may not be taken away as this would be theft.

In the case of blackberries

though, no theft is committed even if it has been necessary to trespass to gather them. Is this the law?

If the holly or blackberries are picked and then sold it is theft; if picked not for reward it is not theft where the plant from which they are taken is growing wild. But where the plant is not growing wild it would be theft in the case of the picking of leaves or fruit of any plant; the same is true of picking mushrooms.

Tax and a housing association

Several families are members of a Residents Association, in occupation of a number of flats in an old mansion. The Association is a registered Limited Company. There is a small contingency fund against future expenditure, from which we derive a small income. It is proposed that a lodge belonging to the association be let, from which we should also derive an income. What are our tax liabilities and to whom do we pay tax, that is, Income Tax, or Corporation Tax. Are we liable for both on any profit or income we have as an association?

There are special tax rules for approved housing associations, but we gather that yours is not such an association. That being

so, the association (company) will be chargeable to corporation tax on its investment and letting income at the following rates, broadly speaking: 42 per cent on the first £40,000, 87 per cent on the next £40,000, 52 per cent on the excess. No doubt the auditors will be able to help with the corporation tax computations.

Mortgage and a bank loan

My mortgage which was a private loan, arranged through my solicitor, has now been called in. I am hoping to arrange a new mortgage in due course but in the meantime I am borrowing the amount of the loan from the bank. Shall I be able to charge the bank interest against my tax?

Yes, provided that you are borrowing from the bank by way of a loan account, as distinct from an overdraft.

As we have mentioned in published replies from time to time, a helpful free booklet on the tax treatment of interest paid is obtainable from most tax inspectors' offices; you should ask for booklet TR11 (with updating supplements).

The use of a name

I was born in 1922 and in 1923 was adopted, although, so far as I can determine no formal or legal process of adoption took place. Since 1923 I have continued to use my foster mother's family name and although hitherto there have been no complications—

Tax on Irish dividends

Your reply under Tax on Irish dividend (January 13) confirmed that a UK resident can claim payment of half the Irish Tax Credit from the Irish Revenue under Article II(2) (A and B) of the Ireland/UK Double Taxation Agreement of June 2 1976. Can any claim be made in respect of Irish dividend income before this date? Could you also tell me whether Double Taxation Agreements exist with other countries?

Under article 1(b) of the Ireland-UK double taxation agreement of April 14, 1926, a private investor resident in the UK (and not also resident in the Irish Republic) was entitled to repayment of the whole of the Irish tax withheld from his Irish dividends, up to the end of 1975-76 (i.e. until the Irish tax system changed to imputation).

There are comprehensive

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I have been abroad for 30 years—I now find the Insurance Company/Building Society requesting sight of my birth certificate. Do I need to go through some legal process to regularise the use of my present name?

You do not need to take any formal steps, since you can acquire a name by repute i.e. habitual use. It may be convenient for you to make a statutory declaration setting out the history of your having been fostered and having used your foster-parent's name, and stating that you have continuously and exclusively used and been known by that name for upwards of 57 years. You can then supply copies of this with your birth certificate when occasion requires.

Tax allowance mistake

Payments on unit-trust backed life assurance went on a tax allowance-deducted basis last April and Income Tax forms then dropped mention of the allowance. The previous year's form listed allowances in "1979-80 Allowances" where I showed mine (though not on PAYE codes). My 1978-79 assessment gave no allowance however, though the gross amounts had been paid all year. Is this right?

It looks as though your tax inspector has simply slipped up. You should write to him pointing out his apparent oversight (and formally giving notice of appeal against the 1978-79 assessment).

double taxation agreements with over 70 countries, from Antigua to Zambia (including most Commonwealth, European and OECD countries), but the terms vary quite significantly—partly because of variations between the tax systems of the countries concerned. In a local reference library, you may find the text of the agreements in, for example, volume F of Simon's Taxes or volume 5 of the British Tax Encyclopedia. You may also be interested to read the Inland Revenue booklet on double taxation relief (IR6), which is obtainable (free) from most tax inspectors' offices.

The double taxation section of the Foreign Dividends Office maintains a stock of some countries' repayment claim forms; where they do not hold the necessary forms, they can tell you the address of the appropriate tax office in the other country.

All at sixes and sevens

SOMETIMES there are so many conflicting short-term factors at work in sharemarkets that basic investment logic gets buried by them and day-to-day share price movements are as unpredictable as any game of chance. But when markets are at sixes and sevens they often throw up investment opportunities for the man who keeps his sights on the longer term.

This week, mining sharemarkets have been looking decidedly uncertain. Although better news, gold shares took a nasty tumble on Wednesday in line with the bullion price. The latter, together with prices of base metals, was unsettled by a falling-off in speculative demand, but the basic desire to hedge against currency uncertainties remains.

Gold, of course, has also to face the hurdle of an expected reduction in demand for jewellery as the recent sharp advance in the price of the precious metal works its way through to the shop counters. Jewellery manufacture takes around half the total annual supply of gold.

Even so, the bullion price has fallen over \$200 per troy ounce since hitting a record of \$850 in January and current prices are still boosting earnings of the mines which received an average of about \$400 in the final quarter of 1979 and only \$300 for the full year. In view of the high prospective dividend yields being offered, this does not seem to be the time to part with good-class gold mining shares.

If gold is regarded as still having a firm base—few observers expect it to go below \$600 unless there is to be a dramatic change for the better in world economic and political circumstances—the position of the relatively "cheap" base metals seems even more secure.

Nothing has happened to change the now generally accepted view that world demand for metals is going to expand in the 1980s and that the prices for them are in an overall rising trend.

So while the Australian mining market, for example, has been over as a result of too much speculation in the exploration issues, the long term investor now has an opportunity to pick up the good calibre issues such as Western Mining at more attractive prices.

Similarly, those who feared that they had missed the boat in major UK stocks such as Rio Tinto-Zinc and Selection Trust during their recent rather fast run up in the wake of the copper price, now have a second chance to move in.

MINING

KENNETH MARSTON

On the mining finance house front this week we have had 1979 results from the Afrikaner General Mining group and its principal subsidiary, the Union Corporation. They have made an impressive showing against a background of advancing gold prices and a good performance by the industrial interests.

This week's graphs tell the story but not all of it. Almost certainly the rising graph of prosperity will be higher in a year's time always provided, of course, that there is no political upheaval in South Africa: the "political discount" on South African investment, however, has narrowed in relation to that on investment in many other parts of the world.

General Mining has grown rapidly in stature over the last

few years and its pending acquisition of all Union Corporation shares will continue the process: documents for the General Mining offer for the remaining 48.3 per cent of Union Corporation are to be posted on February 25 and judging by the latest results the offer of 80 General Mining shares for every 100 Union Corporation looks to be a fair one.

Completion of the deal will create an Afrikaner mining and industrial group to be reckoned with. It will be a fit rival for the group of Anglo-American Corporation and this lends support to theories that the recent Anglo-De Beers acquisition of 25 per cent of Consolidated Gold Fields was spurred by fears that the Afrikaner camp might move in first.

At all events, I still feel that we have not yet heard the last of the Anglo-Gold Fields story. It would make sense, for example, if there were to be a deal between the groups which would involve some reshuffling of assets and, perhaps, include Charter Consolidated.

Among other mining news highlights of the week, Canada's giant Noranda Mines natural resource group has turned in net profits for 1979 of a record C\$394.5m (£147m) or C\$4.70 per share. The latest profit compares with C\$135.2m in 1978.

Noranda feels, with some justification, that it will achieve a further increase in earnings this year and is backing this view with a 10 per cent quarterly dividend rate to 30 cents from 25 cents. So far investors who followed the recommendation here for the shares in January at C\$23 have come to no harm.

Reflecting the boom in the price of silver, America's Sunshine Mining has more than trebled its net profits to \$11.66m (£5.13m) for 1979 from \$3.19m in the previous year. It has

had a "satisfactory" 1980 first quarter and could have another good year in prospect. But silver is now so vulnerable to price resistance—especially in the important photographic market—that caution must be the watchword.

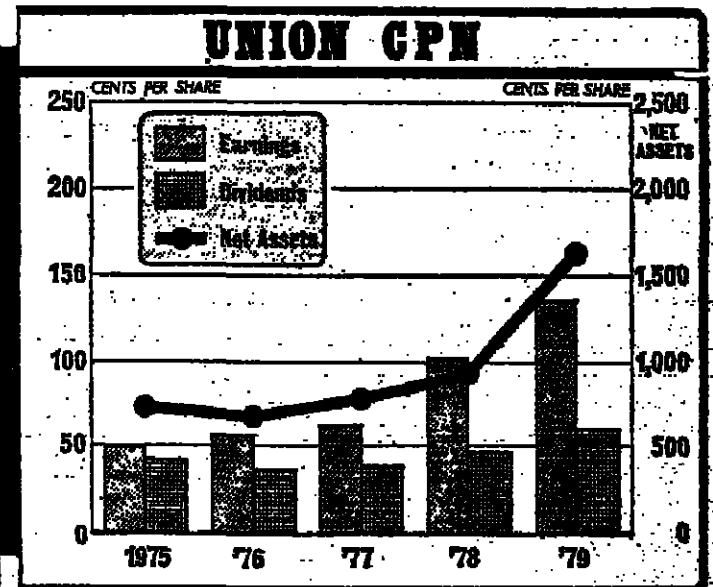
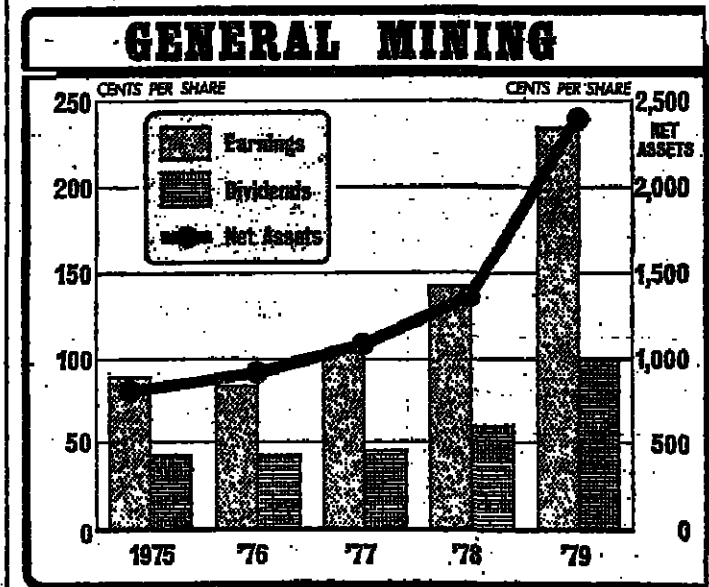
South Africa's Anglo American Coal Corporation has turned in the promised first half earnings for 1979. At R63.5m (£35.4m) they compare with R52.7m for 1978 and the dividend total is raised to 90 cents (48.6p) from 72 cents. A modest dividend yield of under 5 per cent recognises Amco's unforgotten long term growth potential.

Impala Platinum, in the General Mining-Union Corporation group, boosting its interim dividend for the first half of the year to June 30 to 35 cents (18.6p). This compares with only 10 cents last time and the subsequent final of 24 cents. Net profits for the latest period have advanced to R51.3m (£27.3m) from R24.5m a year ago.

They should rise fresh in the current half because of the increased producer platinum price of \$420 per ounce which took effect in December. This "fixed" price may well be increased again shortly in view of the fact that prices of over double this level are being paid on the free market.

London's Hampton Gold Mining Areas which has for its income base a royalty revenue from part of Western Mining's nickel operations in Western Australia is to acquire a 14.9 per cent stake in Parings Mining and Exploration.

The main attraction of the deal for Hampton Areas, which is seeking to diversify its income sources, is Parings's 10 per cent interest in the Qua River zinc-lead-copper-gold-silver project in Tasmania which is expected to start its first ore shipments early next year.



YOUR SAVINGS AND INVESTMENTS

Tim Dickson highlights an important decision facing holidaymakers

A way to make your pounds travel

WITH STERLING riding high on the back of UK interest rates and the riches of North Sea oil, travelling abroad these days almost looks cheap. In contrast with the dark days of November 1979, when at one stage the pound was worth a miserable \$1.78, sterling closed at \$2.276 in the foreign exchange markets last night. So holidaymakers will be planning their summer breaks this year with more than the usual anticipation - but what happens if the exchange rate shifts significantly against sterling in the months ahead?

The answer, assuming you are planning to pick up your travellers' cheques or cash a week or so before departure, is quite simply that you will get fewer Deutschmarks, dollars or dinars than you will at the moment.

For some people, this may be neither here nor there but those determined to get the best out of their holiday cash could consider adopting a different approach.

The abolition of exchange controls has opened up new possibilities for UK investors and some of the new freedoms could well be exploited by budding holidaymakers. For example, it is now possible not only to hold unlimited amounts of foreign currency but also to open a foreign currency bank account in the UK.

In other words, if you happen to think the sterling exchange

rate looks more attractive at the moment than it will when you set off on your holiday, you could buy the foreign currency now, put it in the bank and earn interest between now and the time of your departure. Subsequent movements in the exchange rate can thus be ignored.

There are, however, a number of points to bear in mind and pitfalls to avoid. If, for example, you are thinking of a "cheapie" singles holiday to the Mediterranean, the amount you are likely to spend will almost certainly not justify opening an account.

On the other hand the head of an affluent family could easily find himself forking out £2,000-£3,000 for a three week spree and with this sort of money significant savings could be made.

National Westminster Bank, for example, offers both current and fixed rate interest bearing accounts for customers with a minimum of £1,000. Current accounts are probably not to be advised for this purpose - like sterling current accounts they do not earn interest and individual transactions are extremely expensive.

As for interest-bearing accounts, the accompanying table showing NatWest's bid rates on Thursday for three-month wholesale money should be treated cautiously. The bank was not prepared to say what rates it would offer someone

with £1,000 except to say that these would be subject to negotiation and would depend on market conditions at the time.

Unless you have significant sums of money (say £50,000) you can knock a few points off the rates in the table.

NatWest, however, indicated that an annual rate of just over 15 per cent was being offered over three months for the dollar equivalent of £1,000. This example is certainly interesting because 15 per cent is exactly the same as the present grossed-

NATWEST BID RATES FOR FOREIGN CURRENCY DEPOSITS

Currency	% per annum
D-marks	8 1/2
French Fr.	13 1/2
Spanish Ptas.	18 1/2
Lira	19 1/2
US\$	16 1/2
Swiss Fr.	5 1/2
Austria Sch.	8 1/2

up return on a building society ordinary share account.

Nonetheless, travellers to most parts of the world will probably need to be prepared to sacrifice some of the interest they would earn if they kept their money in sterling in a UK savings institution.

The next hurdle is to get your money out of a foreign currency account. If, for instance, you are going to Spain and want to liquidate your pesetas, the bank will transfer your funds first into sterling

and then back (at the note rate) into either cash or travellers' cheques. In the process, you will have to pay two lots of commission.

An alternative, which will almost certainly work out more cheaply, is to ask your bank to make a cable or mail transfer to one of its overseas branches or correspondent banks.

Most of the big clearing banks will accept foreign currency deposits but they usually have their own conditions. Barclays, for example, quotes only call rates for sums of around £1,000. (In other words, the rate on your deposit may well fluctuate week by week.)

All these skilful manoeuvres, of course, will come to nothing if sterling either remains at these levels through the summer or worse still, moves higher. Analysts, understandably enough, are reluctant to give short term predictions on the movement of the pound but there is a general feeling in the City that by the end of the summer it will be weaker than it is at the moment.

Mr. Paul Clifton, head of research at stockbrokers Scott, Giff & Hancock, reckons that over the next 12 months sterling will fall back, though not drastically, from its present levels. Much depends in the short term, he says, on the Government's attitude to interest rates.

By the end of the year, Mr. Clifton argues that the present



Trevor Humphries

oil price spiral will have tailed off which will ease the upward pressure on sterling.

Some analysts feel the downward movement will be even quicker. One with a firm of currency specialists observes, "sterling is overvalued at the moment. In general people should not leave their purchases of foreign exchange until the last minute since rates may not be so favourable later in the summer. I can see the pound falling by 5-10 per cent by the end of the year."

Against these bearish predictions it is well to remember that analysts have for some time been saying that sterling is overvalued. So far, however, it has defied all attempts to knock it on the head.

Peeping in the toy cupboard

FOR HOLDERS of 23.4m shares of Dunbee-Combe-Mark, this has been an unhappy week.

On Monday they heard that their shares, which three years ago were standing at a peak of 178p, had been suspended at 22p. The following day, it was announced that the group's main backers, the Midland Bank, had appointed a Receiver to salvage what was left of their £125m-a-year toy company which boasted such famous brand names as Hornby trains, Scalextric slot-car racing systems, and Sindy dolls.

The hard fact was that DCM could not pay its debts which were mounting up at a alarming rate, especially in the U.S. where creditors had already filed a petition under the Federal Bankruptcy Act to preserve their rights.

These group liabilities have not yet been disclosed but are

believed to be in the region of £20m. According to City analysts, the sale of the profitable UK companies, including the proposed flotation of the DCM and Industrial division for around £6m, may realise only £22m at most.

Shareholders, who do not rank at all highly on the list of priorities, have to take their place in the payout queue behind the secured and unsecured creditors and also the Receiver, whose fees will be considerable.

This means that if the calculations are right, shareholders can expect nothing - a view shared by most City institutions.

The best advice for those who already know that they will be paying capital gains tax for the current financial year is to establish a capital loss to offset these gains.

But to do so it is necessary for the Inland Revenue to accept that the stock is showing a real loss.

One way of doing this is to provide evidence from the Receiver, in the way of a statement, that the shares are worthless. However, it will probably take some time to value the businesses on an on-going basis and for the Receiver to declare formally that he does not have sufficient assets to cover the group's liabilities.

If this is not completed by April 4, this could mean that shareholders will not be able to take advantage of tax losses in the current financial year.

In this event it might be prudent to find a licensed dealer in securities who would be prepared to do a bed and breakfast deal at a nominal price, although there are the registration problems while the share register remains closed.

ARNOLD KRANSDORFF

Learning the meaning of life

THERE WAS a time when life insurance didn't figure as a high priority during schooldays. But this week the Life Officers' Association, firmly committed to "catching 'em young," has produced two glossy booklets aimed at spreading its message to schools.

The LOA has been publishing material for use in schools for 15 years now and it has learned quite a bit during this time. Its new booklet, What is Life Assurance? is written by

a teacher - Richard Brierley - head of economics at Forest Hill School in South East London, and is therefore highly readable.

Even so, the task of discussing financial protection against death with children is a daunting one. The booklet goes over this point by concentrating on the family and the concept of protection here is dealt with in detail.

The book does not deal with what life companies sell in real

life. I cannot imagine any life insurance salesman copying the layout of this booklet for his sales pitch since life insurance these days is much more often sold as a savings vehicle. The booklet is on its credit with death cover treated as a fringe benefit.

The second publication, A Teacher's Guide to Life Insurance, goes more deeply into the savings aspects, while still giving in-depth study to protection.

Eric Short

Exit Royal, stage right

THE Royal Bank of Scotland's decision to drop out of the unit trust business provides an interesting contrast with the ambitions of another of the clearers, Lloyds Bank.

The Royal Bank announced this week that it was selling its two unit trusts, National and Commercial Income and Capital Funds (now renamed Cabot Income and Cabot Capital), to Henderson Administration.

Henderson, one of the more successful unit trust groups recently, will assume full management and investment responsibility. And in a bid to preserve some link with the past, Williams and Glyn's Bank, a subsidiary of the Royal Bank, has been appointed trustee in both cases.

Only two weeks ago Lloyds Bank showed a completely different face by boldly declaring its intention of developing a new range of specialist funds in 1980. Lloyds, which up to now has confined its activities to general trusts, has launched a new Smaller Companies and Recovery Fund and promises that

an International Technology Trust is already waiting in the wings.

The Royal Bank of Scotland is by no means gloomy about the outlook for unit trusts generally. What has prompted the group's departure from this area of its investment operations is the feeling that banks and successful unit trusts do not always go hand in hand.

UNIT TRUSTS

TIM DICKSON

"With only two funds valued at around £3m and 1,500 unit-holders we decided that we were not big enough to be viable," Mr. Walter Crosby, the Royal Bank's general manager (Trustee and Investments) said.

"Either we had to sell the trusts to a larger sized group or embark on a major marketing drive for more unit-holders. We felt that to do this would have

been incompatible with the role of the branch manager as an independent financial adviser."

This conflict of interest may well be more apparent than real - there are plenty of signs that bank managers prefer to give their customers a wide choice of management groups, particularly if their own is not doing well.

On the other hand, although Lloyds is aiming to reach far beyond the captive audience in its branches, the new funds will undoubtedly be pushed by local managers.

Whatever the merits of bank owned unit trusts, former National and Commercial unit-holders should be better off under Henderson.

Under their previous managers the National and Commercial funds have been disappointing performers whereas Henderson's record gives more cause for optimism. Like most unit trust groups the Henderson stable has some lame looking horses but over the past one and three years three of its 16 trusts have been in the top ten.

ON NOVEMBER 15TH, ONE OF THE BEST REASONS EVER FOR MOVING INTO GILTS WAS DISPLAYED IN THE STOCK EXCHANGE.

It is generally agreed that the best time to move into Gilts is when interest rates are high.

At the moment the MLR stands at 17% - the highest it has ever been. And other interest rates are also at historically high levels.

That is why Abbey Life, with their enormous experience in the Gilts market, have chosen this time to introduce their Fixed Interest Fund, which is designed to help investors make the very most of the Gilt Edged market.

But before you make a decision, let us take you through the generally accepted arguments in favour of Gilts at the moment.

FIRST, WHAT ARE GILTS?

"Gilts" is a word commonly used to describe British Government securities. They are issued by the Government to raise money to help finance public expenditure. Most of these stocks carry a guaranteed rate of interest which is fixed for a number of years no matter what happens to the market generally. And capital repayment is guaranteed.

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First of all, Gilts obviously offer income (the interest). But there is more to them than that.

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WHY DO THEY OFFER SO MUCH RIGHT NOW?

Well, with interest rates so high the income return which can be secured now is also very high.

But it is widely thought that interest rates cannot remain at the current high levels for very long. If they come down, as is likely, the high income returns now available may not be available for much longer.

However, by investing now, the benefits of high income can be secured for many years to come.

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CAN ABBEY LIFE OFFER MORE?

Buying one or two stocks yourself and hanging on to them until redemption - or until you wish to sell - is one way to invest in the Gilt market.

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WHAT DOES ABBEY LIFE KNOW ABOUT THE GILT MARKET?

Although the Abbey Fixed Interest Fund is the latest addition to the Abbey Life portfolio of popular Funds, the management of Gilts and Fixed Interest Securities is nothing new for Abbey Life. Abbey Life investment Services already manage fixed interest securities and deposits of £450m.

WHERE IS THE FUND INVESTED?

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The Bond can be surrendered at any time at the bid price of the units at the valuation day following receipt of your request for surrender. On death the greater of the life cover and the value of units at the bid price is payable. The Company reserves the right in exceptional circumstances to defer the calculation and payment of surrenders for up to 12 months.

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PROPERTY

London rustic

BY JUNE FIELD

IT'S BEEN variously called a vision of green countryside four miles from the city's sprawl, that privileged place up the hill, and less kindly, a trendy tourist trap of boutiques and bazaars with a long stream of noisy heavy traffic up to the Heath.

It's Hampstead, expanding village in London's NW3, where in 1784 spring waters were bottled in Fiesk Walk, a local doctor promising that "the liquid when poured into a glass will sparkle and knit up like a glass of champagne or Herefordshire cider."

Particulars of property for sale continue to promote the same bubbling exuberance—high-class location, a prestige road, exclusive development, and so on, with the promise of "rustic quiet in a peaceful enclave divorced from the general hustle and bustle," probably the most meaningful observation. For in Hampstead proper it is still possible to tuck oneself away down evocative narrow lanes and alleyways, or up stepped squares into ancient cloistered courtyards, full of the atmosphere of the past.

Shop-owners continue to change, or swallow each other up, particularly in the High Street. Crocodile, the fashion boutique at number 66, have just bought the remaining 15

years of the lease of their neighbour, Gaze's haberdashers and drapers since 1897, paying a premium of around £20,000.

Another boutique, Wear-square feet it occupied at 23-24, High Street, offering it through local agents Potters at a rent of £12,500 a year, while at nearby Holly Hill, L.M. Frame Services has sold the five-year balance of its lease to an art dealer at a figure close to the asking price of £8,500.

There are at least 60 estate agents in the Hampstead and adjacent area which roughly spreads from Temple Fortune to Muswell Hill, Swiss Cottage, Chalk Farm and beyond, all names reminiscent of the original country setting, and competition for business is fierce. Strange tales abound, such as that of one firm's "For Sale" boards being taken down in the night and substituted with another, plus canvassing appeals ("road-letters" in the trade), galore.

One owner of a desirable period house, with no intention of selling at the moment, nevertheless confessed that he really felt quite worried if a week passed without him getting one of these heart-rending missives telling him of all the buyers just waiting to snap up his house at the drop of a hat at an extremely attractive (high)

price. "Makes me feel my property isn't so valuable any more, and my bank manager will lose confidence in me."

Property turnover generally is still optimistically described as steady. "Hampstead is really a unique area," insists Mr. Cyril Dennis, who last year acquired the old-established firm of Potters, which celebrates its 150th birthday on Thursday.

"No other place has such a range of different properties, extending from £30,000 to £3m, and is so close to the West End of London and the City while also providing a pleasant suburban environment with plenty of open spaces. These factors largely isolate the area from national trends, and a very large proportion of the property sold is unaffected by mortgage rates and the general availability of credit."

"Even so, I would like to see a much lower mortgage rate. It is far too high, particularly for first-time buyers, while the £25,000 ceiling for tax-relief bears no relation to current prices, let alone those in Hampstead. It should be very substantially raised."

Both as a house agent and developer he would also like to see finance for property development given a rather better rating by lending institutions. "I think they still have nasty memories of 1973 to 1974, although property has shown itself to be by far the best investment. Moreover, property developers are home-providers, and a home, apart from all its social implications, is the only truly tax-free investment there is."

He considers that prices in

Hampstead have stabilised, and thinks they will remain firm for the next six months or so, then probably start to rise again, but at a much slower rate than that witnessed over the last two or three years. "This is inevitable because of the increasing cost of new building. By and large, property prices and building costs level peg."

Mr. Dennis has been in estate agency some 12 years, first setting up on his own in Essex in 1972. He has given Potters' premises in Heath Street a completely new look, updating their image with a smart new navy and gilt logo.

Another of his projects is Abington Developments, which is building houses and flats in Woodford Green, Finchley and Chesham, as well as refurbishing and converting old houses into apartments. Conversions are in progress in Hampstead to provide two and three-bedroom apartments from £45,000 to £80,000, and there is another one going in Ladbroke Grove for flats from £35,000. For details on these and various re-sale properties contact Cyril Dennis or Stuart Brail (manager) Potters, 47 Heath Street, NW3 (01-431 3030).

One appealing personal service incidentally, that the firm have inaugurated recently is a "Welcome Bouquet" for those just moving into a house. "With the chaos, traumas and upsets of settling in, we feel that flowers provide just that small comfort over that first difficult day."

At Holly Hill, in the 18th century terrace where artist George Romney had a studio

around 1797, an attractive "listed" three-bedroom house with a high-walled courtyard garden is for sale through Hampton and Sons' Hampstead office at 21 Heath Street (01-794 8222/2253); offers in excess of £100,000 are being invited for the freehold before auction on March 26 at The Spaniards Inn. Among the outgoings is an annual rent charge of £4 payable to the Manor of Hampstead.

Properties on the Heath command substantial prices. A rambling period cottage with four bedrooms and two bathrooms, on the western slopes in the Vale of Heath was being offered at £189,000 through Benham and Reeves, 56 Heath Street, NW3 (01-435 9822), who are usually open Sundays 2 p.m. to 5 p.m.

At North End, on the edge of the Heath, past the Bull and Bush, Wyldes, a particularly interesting six-bedroom, 2-bathroom house converted from a historic 18th-century barn, is £210,000. The farm buildings were worked as a farm until about 1855; conversion was begun about five years later and not completed until 1910 by Sir Raymond Unwin; it was in this house that he designed much of Hampstead Garden Suburb, and his name is recorded by a blue plaque. Further details, Knight, Frank and Rutley, 20, Hanover Square, W.1. (01-628 2171).

Anything neo-Georgian with a touch of grandeur attracts interest, and there has been a considerable amount from overseas on the former official residence of the New Zealand High Commission in Fregal Lane since it came on the market in October, although nothing is contracted yet.

Memory lane

GARDENING

ARTHUR HELLYER

PLANT BREEDING has nearly always been the preserve of a few specialists and as they come and go so the plants they have favoured rise and fall with them. Such a period of intensive development occurred for the delphinium during the 30 years or so after the First World War. Charles F. Langdon, a professional gardener of genius, had already been at work on them for some time but was then challenged by an amateur, Samuel Watkins, a surveyor living in Wrexham, who began to produce varieties with such immense spikes of bloom that they were nicknamed "holly-hock delphiniums." I can still recall the shock of seeing for the first time varieties such as The Bishop exhibited at the Bath show in the early 1920s by Hewitts of Salisbury who had acquired the right to distribute all the Samuel Watkins varieties.

The race was on for giant delphiniums and soon others joined in, among them Frank Bishop, another amateur who later turned professional and became the breeder of both delphiniums and michaelmas daisies to Bakers Nurseries at Codsall. For years the flow of new varieties was bewildering but looking back it seems to me that the peak of excellence for delphiniums was attained quite early and that top varieties of the 1930s, such as Lady Eleanor, Charles F. Langdon and W. B. Cranfield, have never been surpassed as garden plants though the colour range has been considerably extended since then. This again, was stimulated by the work of one innovator, Frank Reinelt, working in his nursery at Capella on the north shore of Monterey Bay in California.

Reinelt specialised in seed strains which were more suitable than vegetatively propagated plants for the west coast gardens of America. He succeeded in producing some that bred remarkably true to type but his greatest achievement was in introducing shades of lilac, mauve and silvery pink that had not been seen in the big perennial garden delphiniums before. Some of these



Hurst Flower Breeder, Ralph Gould, with one of the most successful of his recent flower novelties, the dwarf Hurst Lupin Lulu, at Hurst Trial Grounds.

were named, Astolat and Guinevere being two of the best, and though Reinelt's himself has long abandoned Capella and his delphiniums in favour of the southern deserts and succulents, these colour strains and some others, such as white Galahad, violet purple King Arthur and even deeper purple Black Knight, as well as the mixture of colours known as Pacific Hybrids, still live on in a few nurseries and seed catalogues.

By a strange coincidence (or was there some reason for it that I have never heard?) Frank Reinelt's other two interests at the time of his involvement with delphiniums were the same as C. F. Langdon's, namely the polyanthus and the large flowered tuberous rooted begonia. Both men made a notable contribution to the development of these flowers and Blackmore and Langdon are still leaders in all these fields, though sadly their attempt to extend the delphinium colour range still further towards red has had to be abandoned. It was not that the colours were unobtainable, nor that they lacked beauty, but simply that the plants lacked perennity, at any rate in the damp and changeable climate of Britain.

What is rather sad about all

these bursts of breeding enthusiasm is that the excitement can die down and many of the plants can disappear quite as fast as the whole enterprise built up. Searching through a few catalogues for some of the old Blackmore and Langdon or Baker varieties I have been able to find only a very few. The fully double Alice Arctinde, with formal ruffled flowers in a good clean shade of violet blue lives on rather surprisingly for it never had much constitution but was quite unique in character. I also found Lady Eleanor in Kelways list as well as gentian blue Frank Bishop (Frank was always most fascinated by blues) together with cool mauve Silver Queen, which came later, plum purple W. B. Cranfield, Father Thames another good blue delphinium and a few more. Of course a far greater range of modern varieties can be obtained from Blackmore and Langdon who now operate from Penford in Somerset, their old Bath nursery having long since disappeared under lawns.

None of this means that gardeners have ceased to grow delphiniums, merely that most are content to grow delphiniums that are not quite so grand as those of the heyday of the delphinium breeders.



This Neo-Georgian 7-bedroom, 3 bathroom house formerly the official residence of the New Zealand High Commissioner, in Fregal Lane, NW3, is priced in excess of £300,000. Brochure Philip Pocock, 1a Grafton Street, W.1, and Knight Frank & Rutley, 20 Hanover Square, W.1.

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MOTORING

Tales of speed and licences

BY STUART MARSHALL

WHAT KIND of a car is a Porsche 928 or 924 Turbo? It really depends who you are.

If you are a German businessman, either can legitimately be looked upon as a sort of wingless executive jet, designed for cruising along the autobahn at nought feet and at high speed. They are management tools for shifting important people from city centre to city centre faster than any other form of transport, except a helicopter.

But in Britain? They are just as desirable a property to a connoisseur of fast cars, but to use them here as their maker intended is to put your licence at risk. Are they, then, mere indulgences—a businessman's bauble or status symbol?

Not necessarily, even though both the £21,827 Porsche 928 and the £13,629 924 Turbo will reach just about twice Britain's 70 mph motorway limit. Having driven them in Germany, I know them to be as relaxed when cruising at two miles a minute as lesser cars are at little more than half that speed.

Recently, I have sampled both in Britain. Though hobbled by a 70 mph limit, they were still delightful to drive.

The 928 now has a 10 to 1 compression ratio for greater economy and easily returns 20

mpg despite its 44 litre V8 engine. It remains untemperamental in traffic and must be the easiest of all supercars to drive. My test car was an automatic. It works so well I can't see any good reason for choosing the optional five-speed manual gearbox.

It has to be faced that at 70 mph or thereabouts the 928 feels half awake, its engine turning over at a lazy 3,000 rpm. There is so much power in hand that it is hard to resist the temptation to cruise at three figures. Motorway driving in the 928 is not without its frustrations. But on winding country roads it is a revelation.

The power assisted steering is sharply responsive; the self-correcting rear suspension flattering to a driver who doesn't always take a perfect cornering line and has to lift-off or even brake instead of powering the car through. The 928 makes an average driver feel like an expert. It takes good care of you, with superlative braking and seemingly unfiltered road grip from the 50 series Pirelli P7s. The ride is quite soft, with just a little thump from the great, fat tyres on rough roads.

Surprisingly, 60 mph seems quite a reasonable speed on



The Porsche 924 Turbo. Pure joy on winding roads.

country roads when you can keep to it constantly, treating bends as though they were not there.

Visibility in traffic is sometimes restricted by a combination of thick screen pillars, a low seating position and a featureless bonnet that curves out of the line of sight. There is not much room in the back, though two adults can be accommodated for short journeys with a bit of give and take on the part of those up front. It is never noisy: every kind of driving aid (including electrically adjustable twin mirrors, headlamp washers, air conditioning, and electric windows) is provided as standard.

A year ago I described the

Porsche 928 as arguably the best car I had ever driven. Nothing I have since tried has made me change my mind.

The 924 Turbo with five speed manual transmission is a fierce feeling car than the 928, which is not to say it is difficult or demanding to drive. But with 170 horsepower being extracted from two litres of four-cylinder engine, compared with a mere 240 from the 928's 4.4-litre V8, one is more aware of the machinery. The turbocharger really begins to work at about 3,000 rpm. Full throttle acceleration in second, third or fourth pushes you hard in the back. Yet it pulls easily in town in fifth at 28-30 mph and will better 23-24 mpg on a journey. The gearshift (first back and

to the left in its own slot, the others in a conventional 'H' pattern) needs a firm hand. The ride is a little truer and more muscular than the 928's, the cornering and handling likewise. The 924 is no car for the impatient motorway driver with two endorsements but for motorway across country on minor roads, even paying proper regard to speed limits, it is pure joy.

So I repeat my earlier question: are the 928 and the 924 Turbo just haubles-cum-status symbols in 70 mph Britain? They needn't be, providing they are driven by someone who can appreciate the best in automotive engineering and doesn't equate enjoyment only with speed.

The best eighteen

GOLF

BEN WRIGHT

WATCHING RAIN hammering down day in and day out is bad enough. But when, as do the millions of inhabitants of this beleaguered area of Southern California, they have to keep a wary eye on houses and hillsides that are likely to come hammering down also, the new occupational hazard is distinctly alarming. For those involved in professional golf's travelling circus, however, the problem is merely to alleviate the boredom. For those who endured last week's almost daily drenchings in Tucson, Arizona, the almost continuous rain here has at least afforded an opportunity to shop for replacement clothes and shoes, if and when the clubhouse gossip becomes intolerable.

When my own group was washed out of yesterday's eventually cancelled Pro-Am that precedes this weekend's Glenn Campbell Los Angeles Open at Riviera Country Club, we filled in the remaining daylight hours trying to decide which are the best 18 holes in the world. The only holes of reference for the discussion were that any hole we voted on to our electric golf course would correspond to its number on the course of its origin. So, by common consent

of my American colleagues, the fabulously beautiful par three 16th hole at Cypress Point on California's Monterey Peninsula, went straight on to our list. My own suggestion that the par three 15th at Portmarnock, Dublin, is possibly the greatest in the world went for nothing, since two consecutive par threes were clearly out of the question.

Although my colleagues had only seen the marvellous 8th hole alongside the lighthouse at Turnberry on television, they deferred to another par theory of mine, namely that it is the best par four in British golf, if not the world. A spirited discussion followed on the subject of which is better, a par four or par five, as the 18th hole of a championship course. And if we were to choose a par five, should we choose one like the 18th on the West Course at Wentworth that can become a par four to those who can place both their drives and their second shots with minute accuracy, or should we opt for the 18th at Pebble Beach, California, which is in normal conditions virtually inaccessible in two shots. My own choice would have put the par four 18th hole at Muirfield on the list, but Pebble Beach carried the day on the score of both sheer beauty and claustrophobic menace, with the Pacific Ocean ready and willing to gobble up any golf balls even slightly hooked, and the sentry-like white out-of-bounds stakes visibly threatening the shot

blocked away from the water towards the gardens of, in my opinion, the houses best situated of any I have ever seen to satisfy this hacker's idea of a dream home.

It is my view that every worthwhile golf course should contain one, and preferably two, par fives that are just that, demanding a third shot of real artistry and touch to find a tiny green with a short iron. I believe the fifteenth hole at Harbor Town links on Hilton Head Island, off the shores of South Carolina is possibly the best example of a hole that in this fashion places the entire emphasis on accuracy for each of the first three shots—rather than brute strength.

Harbor Town also contains the finest collection of par threes as a quartet it has ever been my privilege to hack through. It is truly sad to have to leave out even one of them. But our electric course had to have a par four 17th, so the exquisite par three 17th at Harbor Town had to go. I managed to convince my American colleagues that the 17th at Carnoustie, or the 17th on Sunningdale's Old Course might redress the balance a little in Britain's favour. I still find it impossible to make up my mind which is the better.

Two of our four par threes and two of the four par fives have to have odd numbers, and two even, if only for foursomes play. So how about the downhill third hole at Princeville, in Hanalei, on the Hawaiian island of Kauai, with its glorious much-photographed backdrop of the crescent of Hanalei Bay and its crashing surf, set against the almost vertical, very dark and forbidding rain forest-covered slopes of the mountains beyond. This masterpiece of a par three was created by Robert Trent Jones Jr.

I have only once played Pebble Beach, and the wind off the Pacific was so strong on that memorable occasion I was forced to use a three iron, and still continued to miss the green at the 107 yards seventh hole on its narrow peninsula, with the waves crashing angrily on the rocks and seemingly threatening to engulf us at any moment as we putted. Because I believe the four par threes should present four very different types of shot, the seventh hole at Pebble Beach seems to fit the bill perfectly. In normal conditions there, one can use a wedge of nine iron, whereas the 16th at Cypress Point almost always requires a wooden club tee shot to carry the chasm and boiling ocean between tee and green.

sent by Fred Winter to Ascot starting at 50-1 a novice's hurdle. Nevertheless this was the case with Navalkar in the Datchet Novices' Hurdle ten days ago and he nearly made a mockery of the odds offered against him: going down by just half a length to The Goldstone.

The Uplands seven-year-old who would have won there but for mistakes at both the third and second from last flights, should have nothing to fear from his conqueror in the St. James's Novices' Hurdle. He is suggested with confidence.

KEMPTON

1.45—Aukland Jack
2.15—Visconti
2.45—Master Spy**
3.15—Rising Falcon
3.45—Socks
4.15—Navalkar***

STAFFORD

1.30—Prince Metacilla
2.00—The Baker
2.30—Parleur D'or
3.00—Rolls Rambler*

Tricky for backers

RACING

DOMINIC WIGAN

WITH further rain forecast, backers will again be best advised to sort out the soft ground specialists at Kempton today. On the corresponding card a year ago, three of the first four races went to 16-1 chances and this afternoon's programme looks equally tricky for backers.

One event I do not visualise going to an outsider, however, is the day's most valuable race, the Festival Handicap Chase in which 11 runners will be bidding for a share of the £9,000 added prize money.

Here I expect the winner to come from a trio made up of

finishing in her own hand. Then she fessed the club Queen, which held, returned to hand with a spade for another club finesse, and the rest was easy. She conceded one diamond, and claimed 12 tricks. We scored well on this deal, because many North-South pairs did not move towards a slam.

If South replies with one spade instead of one heart, it is much harder to arrive at a slam contract. North says two hearts, and South will raise to four hearts, but the diamond situation becomes a greater problem. The value of the diamond Queen is not readily assessed.

With North-South vulnerable in the second hand, I dealt in the South seat (positions altered for convenience) and bid one diamond, to which my partner replied with one spade. Now I know that I have not the qualifications for a reverse bid, but with my eyes open I decided to rebid two hearts. My partner jumped to four diamonds—though in

expert circles it is generally agreed that in a reverse sequence such as this it is sufficient to give simple preference, on the understanding that the partner must make another bid. As it was, I bid five diamonds. Having already overstated my values, and with two losing clubs staring me in the face, I was not prepared to make any more encouraging bid, and there the auction ended.

West led the Ace of clubs, and when dummy went down with a singleton club and all the other goodies, I was surprised that in the light of my optimistic bidding she had not said six diamonds. By right I should have held A K Q x of hearts, or A K x x of hearts and the club Ace. With the spades breaking 3-3 and the diamonds 2-2, it required no play to gather in twelve tricks.

Once again, when I examined the travelling score sheet, I discovered that the slam had been bid only once, and understandably so. It is not a good slam to be in, unless you are in desperate need of match points.

BRIDGE

E. P. C. COTTER

THE Harper's and Queen Christmas Bridge Tournament, held at the Europa Hotel during the holiday period, was as usual a great success. Pressure of work prevented me from competing, as I generally do, in the main event, but I played in the Mixed Pairs with Mrs. Mary-Frances Rivers, and we had an enjoyable session, finishing second in our section and sixth overall.

Here is the first slam hand:

N. ♠ A K Q 4
♥ Q 8 5
♦ A Q J 5 4
♣ 6 7 5 4
W. ♠ 9 8 2
♥ 10 7 3
♦ A J 9 2
♣ K 6
S. ♠ A K J 10
♥ J 9 8 5
♦ K 4
♣ 9 8 7

This was the second slam hand:

N. ♠ A K J 6 3
♥ 9 8 2
♦ A 9 5 3
♣ 9
W. ♠ 9 7 5
♥ Q 10 7
♦ Q 10 7
♣ 8 2
E. ♠ Q 10 4
♥ J 6 5
♦ 10 4
♣ 8 6 4 3 2

CHESS

LEONARD BARDEN

One of the unfortunate consequences of the slow-moving four-year cycle of tournaments and matches for the world championship is that outstanding talents who make their mark just after a cycle begins have too long a wait before their skills are tested at the highest level. This factor is particularly noticeable in 1980 when the candidates are largely dominated by older grandmasters whose ability and limitations are already well known. It is difficult for the chess public or even chess critics to get excited about yet another appearance of Petrosian at the candidates stage where he first took part in 1953.

Players of world title potential who have emerged since the current series started include Kasparov of the USSR, Seirawan of the U.S. whose win at Wijk aan Zee was reviewed last week, and Nigel Short. The next title round starting in 1981 will be soon enough for Short, but Kasparov in particular is already ranked in the world top twenty and public expectation of him as a potential champion is growing.

He did not disappoint on his debut at the recent European team championship in Sweden where the Russians cautiously put him on the bottom of their team boards. With 5½ out of 6, he had the best percentage of the tournament and shone both in strategic and tactical play. His victory over Simon Webb saved the USSR team from defeat by England; the London master tried for simplifications and a draw but Kasparov kept enough initiative in hand to

force pawn weaknesses and then gain of material in the endgame. Other Kasparov victories were still more impressive, as in this lucid and instructive demonstration of how to make use of a bishop against a knight coupled with an advantage in space.

White: G. Kasparov (USSR). Black: M. Vukic (Yugoslavia). Opening: Caro-Kann Defence (Skara 1980).

1. P-K4, P-QB3; 2. P-Q4, P-Q4; 3. N-Q2, P-P3; 4. N-P3, B-B4; 5. N-N3, B-N5; 6. P-K4, P-K3; 7. N-B3, Q-B2; 8. P-R3, B-B2; 9. B-Q2, R-B3; 10. Q-R2, P-K3; 11. B-Q2, Q-B2; 12. Q-O-O, K-N3; 13. N-K4, Q-O-O; 14. P-KN3, 14... N-N4.

The more active 14... N-B4 has been preferred in other master games, though Black must still defend carefully.

15. Q-N3, B-K2; 16. K-N1, K-R1; 17. Q-Q2.

By delaying P-QB4 for longer than usual in this variation, White gains more flexibility in choosing a piece formation to counter Black's.

17... B-Q3; 18. K-R1, R-K2; 19. P-B4, P-QB4; 20. B-B3, N-B3; 21. N-K5, P-P3; 22. R-K1, R-Q2; 23. R-K1, R-Q2; 24. R-B2, R-Q2; 25. B-B3, Q-N3; 26. P-KN4!

The white square pawn chain blends with the dark square bishop to deprive the black pieces of outposts.

26... Q-Q3; 27. P-B3, P-R3; 28. P-B4!

Preparing to fix the Q-side pawns so that the later pawn ending will be won.

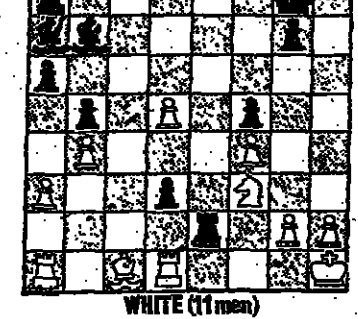
28... Q-Q3 ch; 29. K-B1, K-B2; 30. Q-Q4, R-Q4; 31. R-KB1, K-B3; 32. K-B2, R-Q2; 33. P-R5, N-K1; 34. R-K1, R-Q3; 35. P-B4, N-B3? (P-B3 holds out longer); 36. B-N3, P-B3; 37. Q-Q1, Resigns.

An original finish. The end might be 37... R-R4; 38. K-R2, Q-Q2; 39. P-N5, B-P3; 40. P-P3, K-R2; 41. P-P3, K-B1; 42. P-N4, K-N1; 43. P-N5 and a white pawn queen.

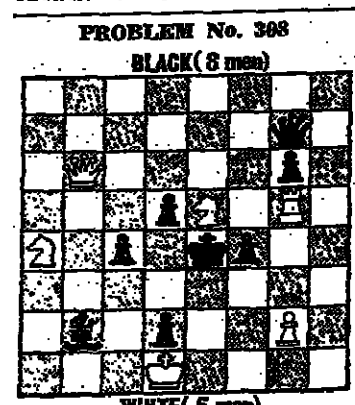
POSITION No. 308

BLACK (8 men)

WHITE (11 men)



Sigurjonsson vs. Korchnoi. Wijk aan Zee 1980. Korchnoi (Black to move) is a pawn down with both sides attacking the opposing OP. What should he play, and how should the game go?



White mates in two moves, against any defence (by David Shire, Canterbury, first publication). Solutions Page 10

MOTOR CARS

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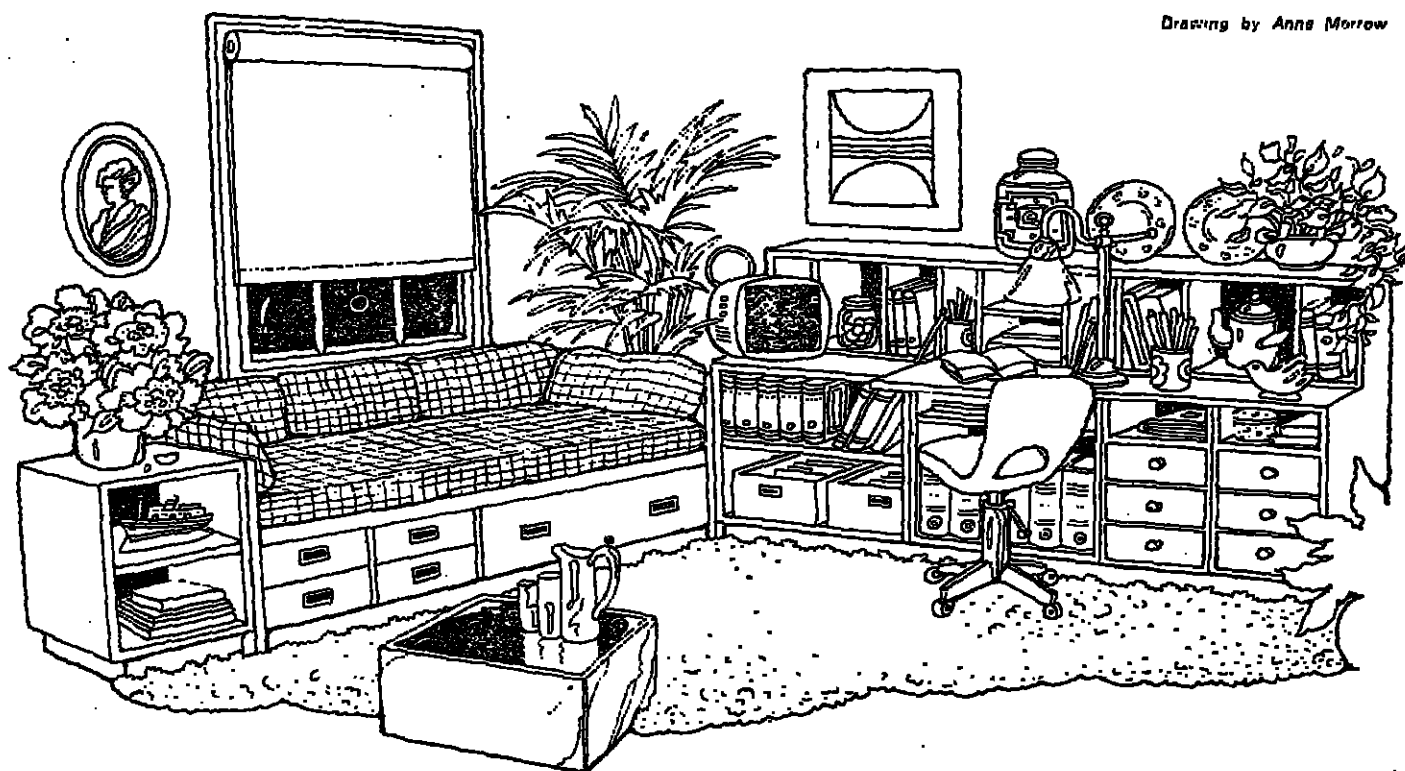
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HOW TO SPEND IT

No house that I've ever come across has a place for everything but this week I've looked at a few of the ways of coming a little nearer to that ideal....



Drawing by Anna Morrow

Everything in its place

ORGANISATION I know is the secret of everything. Shirley Conran has told us so, magazines like Good Housekeeping are always telling us so and I believe them. It's just that I have trouble getting round to it. It's when I read an article in American House and Garden on what seemed like a thousand different ways to organise my "closet" that I realised quite how inadequate I was. My "closet" has space for dresses, shelves for sweaters and short hanging space for things like shirts and blouses and some flat open shelves for handbags, scarves and the like. This has always done me pretty well but I now realise that I could have been doing a lot, lot better.

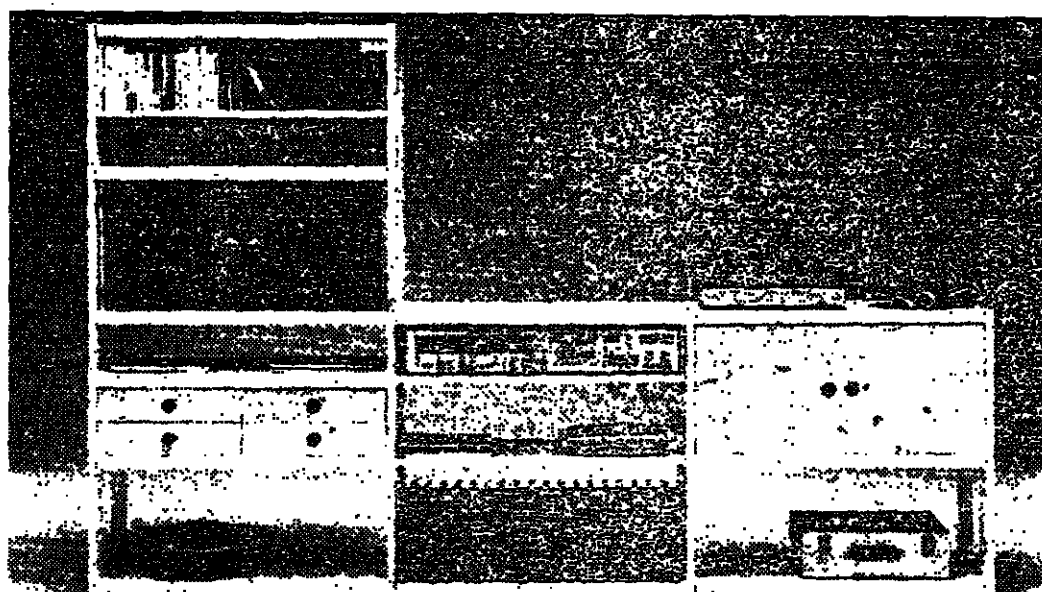
I could for instance, have covered a whole door with pegboard and hung a basket on this board for my mittens and gloves. I could have turned the door into a sports centre with hooks for jump ropes, skates ("don't, they're awful"), tennis rackets, even skis and poles. Now this does leave me feeling inadequate—my sports centre would require space for just a leotard and a 15-year-old tennis racket.

I could create a cleaning closet and hang my brooms, mops and dust pans up on hooks (though stacking them behind the boiler room door has worked quite well until now). Or what about making a laundry bag (very sensible idea this one, I thought) from a pretty pillowcase—just hem one side over a bright plastic hanger and hook it on the inside of your closet door. My only difficulty then would be actually persuading the children to use it.

Through the article, says volumes for the average American standard of affluence and the abundance of their possessions there was, between the bit about "closet art" i.e. how to beautifully said closet, quite a lot of good advice to be gleaned. Doors of wardrobes can be used to cope with a surprising amount of storage (belts, ties and shoes, for instance, can all be hung on the backs of doors, on rails, hooks or pegboard).

The magazine is very sensible to point out that all storage doesn't need to be bought ready-made at shop prices. All sorts of simple, everyday things (like the aforementioned pillowcases) can be used for storage. I've talked before about using simple polythene washing-up bowls for storage of winter toys—use transfers on the front to identify whether the bowl houses building bricks, clockwork toys, drawing materials or whatever.

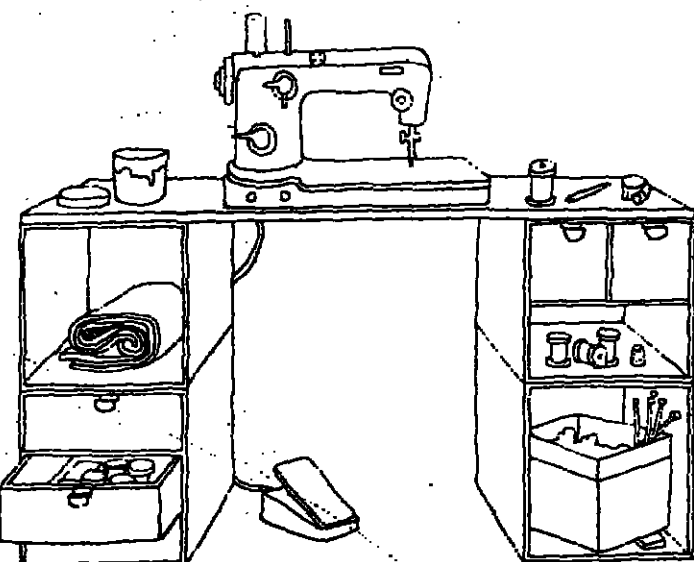
I find that I use small baskets a great deal to organise my small belongings—I keep a round basket on the shelf around the bath to keep all the shampoos and conditioners in order. I have another one beside the basin with all my make-up in it and yet another on a kitchen shelf to give shape and order to the collection of bottles of lime-juice, orange, vitamin pills and other things that otherwise litter up the work-surface. They cost little but they work visually very well.



THE Victor pine units, photographed above, are exceedingly simple but I like them on that account and also because they are made of solid wood. The range is designed and built on a ladder system so that you can put the units together to suit yourself. You buy the sides, the shelving, the drawers and the cupboards and devise the combination that most suits your storage needs. Because each system is built up

individually it is difficult to give precise prices but the group photographed above costs about £329 and forms a 9 foot 1-inch high, 4 foot 6 inch wide unit would cost about £200.

The furniture is by Offerts of Sweden and can be bought now from Offerts West One, 44 Maddox Street, London, W1; Hunter and Smallpage of York; John Bakers, London; Maskreys of Bristol; Norway House, Edinburgh; Wallace King of Bedford.



NOT new but still one of the simplest and most versatile systems is Palaset, designed by the Finn, Ristomatti Rata, in brightly-painted moulded polystyrene.

Based on a simple cube which can be fitted with drawers and trays of varying sizes the cubes can be combined together to form bookshelves, bedside tables, sewing-tables (as in our sketch above), record storage, cloakroom storage—the possibilities are endless.

What I like best about it is that

it doesn't date, could grow with the house and family and adapt to their changing needs. Habitat shops sell Palaset and the price of a basic simple 13 1/2 inch cube is £10.95, one fitted with six small drawers is £17.25. Colours are white or espresso brown with drawer-tray units in bright red, yellow, green, blue, white and brown.

Remember that by buying a simple piece of glass or melamine you can bridge the gap between a stack of cubes to form a desk or work table.

Making the most of wardrobe space can be done by using Gratnell's inexpensive shelving system—there are moulded polystyrene or polythene-coated steel wire baskets in the range plus uprights, runners, shelf clips and all the other things you need to devise for yourself how the space should be divided. They can, of course, be used in kitchens and larders, too.

Gratnell's sells a pack of four clear plastic trays, plus four uprights and four pairs of runners for £25.04 (plus VAT). Alternatively (or additionally)

a pack of three wire baskets plus four uprights and four pairs of runners is £20.08 (plus VAT). All can only be bought directly from Gratnell's and you can write for the leaflet which explains the system and includes an order form. Look out, too, for the useful little tray dividers which make useful and tidy ways of lining up cleaning materials, spices, small gadgets or whatever else needs tidying. Write to Gratnell's, 256 Church Road, London, E10, for the fully informative leaflet.

In cramped areas cupboards don't have to have doors—

The shelving system, photographed left, is one of the most elegant I know. Designed by Georges Ciandimino of Ciandimino Designs, 307 King's Road, London, SW3, it is based on 1 in. solid steel poles and brass blocks which support the bronze glass shelves. The system is supplied with brass top and bottom fittings which attach to floor and ceiling which mean the system doesn't have to be mounted against the wall (very useful for all those whose walls are somewhat less strong than they might be). The solid steel poles are £19.45 per metre, the brass blocks are £4.50 each, the brass top and bottom fittings are £9.95 each. The shelves are formed from bronze glass which is quoted to order. As you can see from the photograph the elegance of the system provides a fitting background to almost any collection, whether important or just an eclectic and personal selection of things that have been gathered over the years.

Bourne of Oxford Street, London W1 currently has a selection of furniture, including in the name of Club 8, which is an exceedingly well-priced and offers so many solutions to so many storage problems that I thought it well worth featuring.

One of the things I like most about the range is that it is so simple and so sensible that it can be used throughout almost every phase of a family's development. It provides ample and adequate storage for a baby's room, can be adapted throughout the growing childhood phase and can still find a role to play when the children are grown up either in a study, a spare bedroom or a dressing room.

The furniture is made from chipboard available on both sides with what the manufacturers describe as a "colour-fast fir-patterned film." It needs to be assembled at home by the buyer but somebody I spoke to who has done it assures me it really is easy (the system is based on nylon push-buttons and dowels—there is no gluing or finishing work to be done).

In the drawing, above, I asked our artist, Anna Morrow, to devise a spare-bedroom-cum-study from a small selection of the units. To give you some idea of how reasonable the furniture is the day bed sketched left is £149.50 (there is a cheaper version, with two drawers beneath the bed, for £119.95) a unit like the small bedside table with two shelves is £13.50 and a mini-wardrobe is £24.95. For a copy of the full colour leaflet on Club 8 write to the Mail Order Department, Bourne, Oxford Street, London W1, which shows all the components, sizes and prices.



The John Lewis Partnership shops usually have quite a lot of good ideas for helping to organise our numerous possessions. For keeping all the shoe cleaning materials safely together they recommend this solid wooden box. It is divided so that there is separate storage on either side.

The black ribbed rubber makes a non-slip resting place for the shoe. The box itself comes in red or black at £9.50 each, or in natural at £8.50. If you want to buy it by post write to John Lewis, Oxford Street, London, W1 and add an extra 70p for postage and packing.

Store system—I've written about it before. Besides the CubeStore trestle legs which can be bought on their own and used as a basis for making an inexpensive desk or dining table, CubeStore of 58 Pembroke Road, London, W8 also offers simple and inexpensive solutions to many storage problems.

CubeKit is based on the 384 mm module (just under 15 ins.) and is made from 12 mm thick panels and because one cube can be built on to another fewer parts are needed (i.e. the side of one cube is also the side of its next-door neighbour and so on). They can be assembled simply by using a number two Pozidrive screwdriver and can be placed on the floor and then added to—alternatively you can wall-mount them if you wish. There are three versions, one is in plain chipboard, ready to paint, varnish or stain. Then there are white melamine-faced panels and brown cubes with plain panels edged in brown.

There is also CubeShelf which consists of separate units based on a 12 in. external module. They can be used alone or stacked together and can be used to make larger units of storage than CubeKit. Also made from 12 mm thick chipboard, this time faced and edged in white laminate.

Finally, there is CubeShelf which is a system comprising wall uprights, standard and heavy duty brackets, shelves and special fittings like panel clips for mounting pinboards or mirrors. Write to the address above for the leaflet—the company dispatches all over Britain.

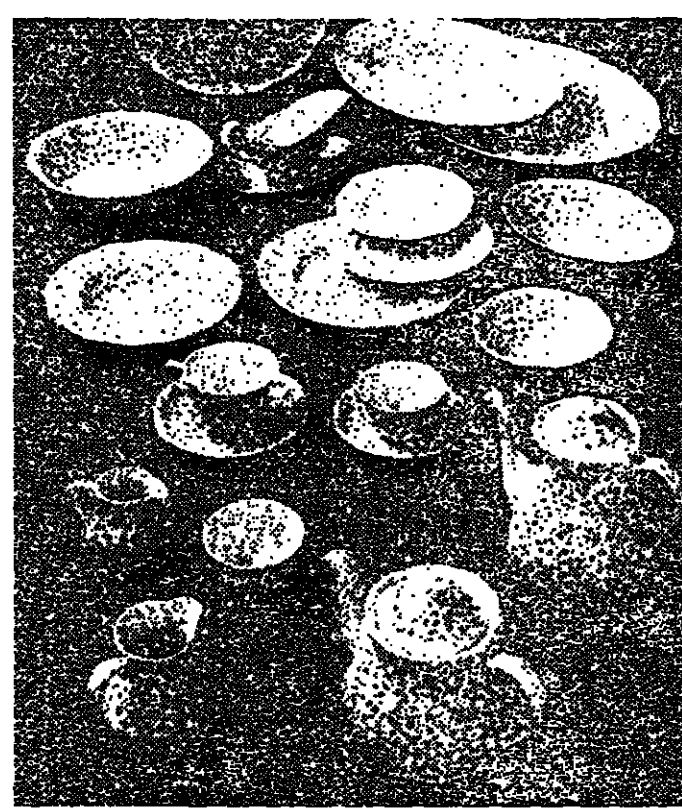
by Lucia van der Post

Bargain Corner

EVERY DAY new notices land on my desk telling me of yet more sales and further reductions on something—sometimes the reductions aren't all that large but it is all evidence that for those who are in a buying mood now could hardly be a better time. Many of the large stores are still rather sadly full of reduced notices and the biggest bargains of all are to be found in the fashion departments.

For those whose thoughts and spare cash are more directed towards the home here are three useful addresses. Divertimenti, the specialist cookware shop at 68 Marylebone Lane, London W1 is having a sale for two weeks, starting from today. I'm particularly fond of the Adams Pink Sprig tableware that used to be part of the shop's usual stock but for this fortnight all the pieces in the range will be reduced by one-third. If you have this tableware and want to go on using it now is the time to stock up because Divertimenti will discontinue it from now on (though Adams will continue to manufacture it and you will be able to find it in other outlets). The reductions bring a dinner plate down from £1.70 to £1.14, a teacup and saucer from £2.39 to £1.60 and a teapot from £7.23 to £4.82. Reductions well worth having.

Besides the Adams tableware there is a collection of Herma cookware from Germany that has been specially bought in for the sale. They are all second-hand, obviously, the blemishes are small. The range is normally carried in dark green but this selection is in cream and red as well. Prices will be reduced by one-third bringing a three pint tidded casserole down from £7.07 to £4.95 and a five and a half pint saucepan from £9.85 to £6.89. Sabatier knives will be reduced by up to 30 per cent and other end-of-line stock will be in the sale. Alas, the sale is obviously for personal shoppers only.



A selection of Adams Pink Sprig tableware.

Also starting today and on offer just for a fortnight is a selection of towels at special prices at The Reject Shops in Brompton Road, Tottenham Court Road, East Street, Brighton; Charter Place, Watford; Clarence Street, Kingston-upon-Thames; and Victoria Centre, Nottingham. In a whole host of colours and in all the usual sizes the prices seem very reasonable so stock up your linen cupboard—facecloths are 64p, small hand towels, £1.78, face towels, £2.69, bath towels, £1.85 and large bath towels, £7.79.

Finally, if you're looking for tiles, go along to The Reject Tile Shop at 178 Wandsworth Bridge Road, London SW8. It offers tiles with slight variations in glaze or tone, small discolourations or slight smudges at very good prices.

Most of the tiles come from Britain, a few from Italy, and besides the seconds there are also ends-of-lines and prices range from £6.30 to £12.50 per square yard. You'll find both floor and wall tiles.

Look! No taps



that matter, you could similarly arrange to give commands from your car as well.

If you already have a bath installed the electronic valve controls cannot be added as an afterthought but if you are contemplating a new bath they can be incorporated into any of the Bonsack baths.

If bathing is your hobby you can also have massage jets incorporated into your bath, though these are not as new as the tapless bath. If you want to see both in action go along either to Harrods (Central Hall) today where the new tapless bath is on display or to the Bonsack showrooms at 14 Mount Street, London, W1. Prices for the tapless bath start at £2,000 but obviously vary depending on the design chosen.

Small is "bootiful"

IF YOU'RE DEVOTED to turkey but can't face the cost or the left-overs of a large bird more than once a year, try Bernard Matthews' Little Beauty. Mr. Matthews, who started in the turkey business 30 years ago and is now the largest producer in Europe, has recently launched this frozen boned and rolled turkey roast which serves four and cooks in 75 minutes. So you can produce a festive dinner without super-intending it all day.

Mr. Matthews is currently to be seen in television advertisements tucking into his turkey himself and pronouncing it "bootiful." He eats it with traditional gravy and vegetables. The Savoy Hotel's Maitre Chef des Cuisines, Silvio Trompetto, spikes it with pistachio nuts and truffles to turn it into *délicie de dinde capricieuse*. I discovered that somewhere between the two you can cook it in your favourite combination of white wine and herbs or roast it straight, making a quick sauce at the end with the pan juice, orange sections and port. (Microwave enthusiasts beware, though—the middle pops up at high temperatures, so put it in your microwave oven for four minutes and transfer it to a normal oven to finish off).

It's pure meat, slightly salted but with no other additives, and its pork fat overcoat does keep it moist. It reheats well and is particularly successful cold in a moussé or salad.

There are 14 lb and 9 1/2 lb packs (white meat £1.32 a lb, dark meat £1.11 a lb), available at most multiple butchers and supermarkets in the British Isles. (It comes in 5 lb packs too if you're throwing a party, but they're mainly for catering and not so easy to find). The same firm sells turkey fillets as well as whole birds. Look out for smoked turkey hams later in the year.

JUDY WHALE

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Le Feu de Bois

ARTS

Highly critical

BY ANTHONY CURTIS

Feature programmes on radio have their origin in a variety of causes. Anniversaries are one of the most fruitful. Another, obviously, is topicality. A third which is responsible for getting some of the most interesting literary features onto the air is what one might call the lobby. An influential group of people with contacts inside the BBC feel that full justice has not been done to the work of a certain individual fairly recently deceased and they propose that there shall be a feature programme about him. Such, I surmise, to have been the motivation behind *The Scholar-Critic* led by Mark Storey (Radio 3, February 16), 45-minutes devoted to a discussion of the work of the Oxford don and critic F. W. Bateson by former pupils, most of whom are themselves now eminent professors or lecturers

When it first appeared it was savagely reviewed by Leavis, after which an acrimonious academic dialogue ensued between the two men. This continued for the remainder of their lives. In sketching the personality of Bateson as both teacher, colleague and farmer (in his alter ego as Brill), with contributions from such authorities as Professor Robson of Edinburgh, Professor Ricks of Cambridge, Professor Carey of Oxford, Martin Dodsworth, Valentine Cunningham, Alan Brien and A. L. Alvarez the programme touched briefly on the great debate between Leavis and Bateson, between the historicist and the evaluative approach to literary criticism. What we need now is a whole programme—or better still a series of programmes—examining this crucial issue over which there is so much confusion among teachers of English in schools and universities.

It was fascinating to hear one speaker cite Aldous Huxley, with his appetite for a huge range of artistic experience, as Bateson's ideal critic. What did Bateson think of Lytton Strachey, master of Huxley as of so many other essayists of that generation? The programme *Lytton Strachey: A Portrait in Miniature* (Radio 4, February 17) was prompted by the fact that Strachey was born 100 years ago in March. It was narrated by Derek Parker in conversation with Strachey's biographer, Michael Holroyd. They were able to draw from a rich deposit of Stracheyana in the sound archive, by old Bloomsbury hands such as Clive Bell, David Garnett, Bertrand Russell, and also to record fresh fascinating material from people like George Rylands, Quentin Bell, Noel Annan, Frances Partridge, able at this distance in time to speak in total freedom about the extraordinary triangular relation between Lytton, Dora Carrington, and Ralph Partridge.

However many times one hears it recounted, the story of Carrington's suicide, after Lytton's death can never fail to be moving. Both these principal actors in the drama died before recording for radio became the norm for a modern celebrity. The programme, directed by John Knight, therefore mixed the tones of actors with those of survivors. Innes, Daniel Massey was Lytton, and Jill Bennett Carrington.



Lains Barn

Storing up old barns

BY GILLIAN DARLEY

After many years in which farm buildings, threatened by redundancy, rising maintenance costs and insufficient statutory protection, have been falling into sad disrepair across the agricultural landscape, a concerted series of moves is now underway to stem this loss.

In a list of the 670 buildings threatened by demolition during 1979 (compiled by the Ancient Monuments Society) barns constitute a surprisingly high total. The surprise lies in the fact that they are listed at all, for agricultural buildings, especially in the remote rural areas, have been hard done by, and with the present dearth of lists and DOE cutbacks in this category, the situation will only get worse.

In September the Society for Protection of Ancient Buildings, the amenity society principally concerned with this problem, will hold a Barns Day, described by its secretary David Pearson as "not just another conference, but a well orchestrated meeting designed to get the problems over to Government".

Barns are, he adds, the Society's biggest worry. The points to be brought home to the appropriate authorities are the problems of change of use, the application of grants and the enormous obstacles raised by public health and fire regu-

lations, applied zealously and often unrealistically. This meeting will be held in Lains Barn, just outside Weymouth. This magnificent complex, an 18th-century barn extended in the 19th century to form a fold-yard, had fallen into disuse. Through the energies of a local GP, Dr. Dick Squires (whose second barn project this is) backed by the Vale and Downland Trust, the three wings of the yard are being converted into a multi-purpose meeting place. Both costs and sensitivity to the qualities of the building have dictated conversion of the most basic order, allowing as far as possible the features of the building to remain as testimony to its original purpose.

The differing nature of the parts of the building means that the barn provides space for meetings, theatre, concerts, dances, while the open-sided wing alongside, with its glazed panels, makes a gallery space or summer classroom.

Due to the generosity of the Pension Fund Property Unit Trust, the owners of the land adjacent, the Vale and Downland Trust obtained the property (and some adjoining land for car parking and landscaping) for a token fee. This, with the fact that the labour has been largely voluntary, has kept costs to a minimum (£15,000 to date) and the barn is already beginning to earn funds for itself. Nevertheless, the Trust,

with other schemes afoot, is hard-pressed to supply working capital and has depended to a considerable degree on gifts of materials and professional advice given at below-cost rates.

A scheme such as Lains Barn (or Dr. Squires' earlier venture, Tulwick barn, which provides for similar use within a more limited space) relies to a great degree on skills, energy and drive; it is also reliant on local imagination, particularly from the local council which has the necessary powers to assist or prevent the adaptation of rural buildings. In the Wantage case, the Vale of the White Horse District Council has proved admirably compliant, but that is far from usual.

Certain County authorities have produced excellent documents giving guidance. Hampshire in a book dealing with conservation as a whole, Essex in an attractively presented booklet specifically on historic barns. In the latter case the point is made that the presumption is always in favour of agricultural re-use but if that proves unfeasible then, largely depending on location, other possibilities will be entertained. Community use and light industrial adaptation are preferred since they do not necessitate the break-up of internal spaces; a barn can make an excellent working area, shop or storage space, as do disused

warehouses in industrial areas. Farm shops are an obvious next solution, but they rely on accessible locations.

It is the remote barn that poses the greatest problem. The upland field barns of northern England, unsuitable on planning grounds for conversion to domestic use, and long without agricultural function, are largely derelict. One solution, in areas much visited by walkers, is the "stone tent" idea, being explored by the Countryside Commission with the Yorkshire Dales Park Authority and by one of the largest private landowners, the Devonshire Estate.

Already a number of such relatively rudimentary shelters have been opened, one advantage in principle being the low level (in terms of provision) of conversion needed. The barns can retain their form and thus their contribution to the landscape. Nevertheless there are instances of fire and safety regulations necessitating breeze-block partitions. Illuminated exit signs and a multiplicity of seemingly exaggerated requirements. The onus at that point must fall on the officer concerned to make a sensible interpretation of the rules. After all, the immediate pre-occupation must be towards preserving these buildings, as physically unimpaired as possible.

Creditors

BY B. A. YOUNG

The question Strindberg poses in this interesting little play is, who wins and who loses in marriage? Of course he loads the dice in the examples he shows us ("all three of the characters are sympathetic," he wrote untruthfully). Tekla, wife of Adolf and ex-wife of Gustav, is an insatiable consumer of whatever men have to offer. From weak Adolf she has learnt to spell and indeed to write novels, and in exchange she has given atheism and a contempt for his own art; yet both of them consider Adolf to have been the winner.

With less emphasis on probability than on scope for discussion, the play is neatly laid out so that the characters have three dialogues, all three together appearing only at climaxes. Gustav's identity is not immediately revealed. He sits talking to Adolf like Lord Henry Wotton until Adolf's mind is thoroughly poisoned against Tekla, who is reported to be flirting with "clean young men"; moreover Adolf is persuaded that he is on the verge of epilepsy, even of collapse.

When Gustav leaves and Tekla arrives, a blowsy, flirtatious woman approaching middle-age, she behaves just as he said she would (and he should know); but it is always she who ends up dominant.

The third encounter is between Gustav and Tekla. Gustav lures her into the promise of a flirtation, having planted Adolf in the next town. When Adolf breaks in on them, Gustav taunts Tekla, "Settle your account with him now!" and so she does, for Adolf, his life-force all lost to his wife, falls dead at her feet.

The production under Roy Macready at the Haymarket Studio in Leicester is ably performed by all three players. Philip Brown is the pale young intellectual Adolf. Malcolm Rennie the sinister Gustav with his hypnotic eyes. Between them looms the fatal Tekla, beautifully played by Heather Sears as a fawning, hard-faced former beauty. In the face of such an intelligent production, it is hard to see why this fascinating play is not seen more often.

African textiles

BY BRIONY LLEWELLYN

The colourful textiles of the African continent are the subject of the latest exotic exhibition at the Museum of Mankind (the Ethnographic department of the British Museum, in Burlington Gardens, London, W1). Divided into two sections, the exhibition successfully combines visual appeal with solid technical information.

In the first room each showcase contains several examples of a particular type of textile and represents one of various regions of Africa. There are embroidered gowns from West Africa, Yoruba adire cloths with curious patterns made either by tying or stitching the material or by painting starch on to it before dyeing it in indigo, cut-pile raphia cloth from Zaïre, warp-striped cloth from Madagascar, a colourful woven hammock from Sierra Leone, an intricately patterned textile from Ghana, aly called *adwina* ("my skill is exhausted") and many others. Riding alone on a dias is an example of the quilted cotton

horse armour, embellished with patchwork, is the Sudan.

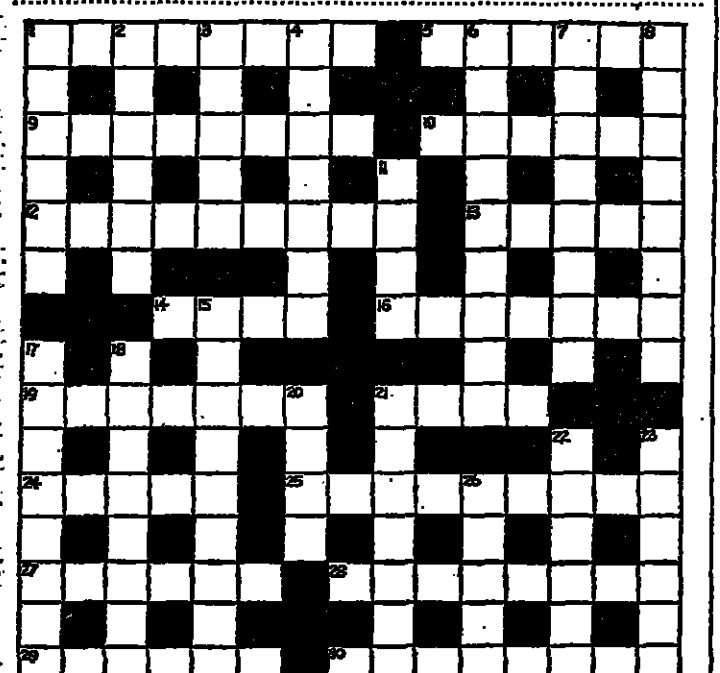
In the second room the technical processes of making the cloth are described. The raw materials making the cloth such as cotton, silk and raphia, and how they are prepared are displayed, along with the different dyes—indigo for blue, brimstone wool for yellow and so on. Next come the complex weaving techniques on the different types of loom, several set up with all the necessary tools in working order. Lastly the decoration of the cloth by dyeing, embroidery, appliqué or some other method, is explained.

Sadly these traditional ways of weaving and decorating textiles have largely been displaced in Africa by industrial processes and imported alternatives, and it is only in ethnographic museums such as the Museum of Mankind, which has one of the most substantial and representative collections anywhere, that a great many of these beautiful artefacts can be seen. Briony Llewellyn

F.T. CROSSWORD PUZZLE No. 4,208

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name
Address



- ACROSS**
- 1 Urgent outcry certain to give enjoyment (8)
 - 5 Turn aside first of waiters going in to serve (6)
 - 9 Fixed allowance to a learner with intelligence (8)
 - 10 Scolding a sailor (6)
 - 12 Made an appointment outside school and set off (9)
 - 13 Cover to bring forth from (5)
 - 14 Leading performer in "Rodent's Return" (4)
 - 16 Ventilate small room and botanical space (3,4)
 - 19 More ornate breeder (7)
 - 21 Team "B" put in the south-east (4)
 - 24 Make ground with broken heart (5)
 - 25 Singer is more unruined about notice (9)
 - 27 Patch up angler's fly and fish (6)
 - 28 Want to appear in part of castle rising to the patella (4,4)
 - 29 Soldiers believe it is free (6)
 - 30 Clergyman and religious leader always finish (8)
- DOWN**
- 1 Run out rope around pole in burlesque (6)
 - 2 Lands in capital of Eastern country (6)
 - 3 Express contempt for starter of sweet cereal (5)
 - 4 A very hot day making cook hesitate (7)
 - 6 Came safely through, but showing signs of disintegration from exposure (9)
 - 7 First of riders on racecourse in South American growth (4,4)
 - 8 Food container having a slight gloss (8)
 - 11 Thought it could come from inside arena (4)
 - 15 Sharp "B" in tone from attachment to drumstick (8,4)
 - 17 Attempt to admit termination for culprit (8)
 - 18 Act under new order but it's not detected (8)
 - 20 Flower and nozzle for watering it (4)
 - 21 Odd way to move within limits (7)
 - 22 Stick notice in this place (6)
 - 23 Make an excursion with party coming up and stand under camera (8)
 - 26 Female relative starts entertaining in French resort.

Solution to Puzzle No. 4,207

ACROSS
1. BURLESQUE
2. EGYPT
3. DISDAIN
4. HOT
6. SURVIVED
7. RACETRACK
8. GLOSSY
9. ALLOWANCE
10. SAILOR
12. APPOINTMENT
13. COVER
14. LEADER
16. VENTILATE
19. BREEDER
21. TEAM
24. GROUND
25. SINGER
27. PATCH
28. CASTLE
29. SOLDIERS
30. CLERGYMAN

DOWN
1. RUN
2. LANDS
3. EXPRESS
4. HOT
6. SURVIVED
7. RACETRACK
8. GLOSSY
9. ALLOWANCE
10. SAILOR
12. APPOINTMENT
13. COVER
14. LEADER
16. VENTILATE
19. BREEDER
21. TEAM
24. GROUND
25. SINGER
27. PATCH
28. CASTLE
29. SOLDIERS
30. CLERGYMAN

TV Radio

BBC 1

Indicates programme in black and white

- 7.40-8.30 am Open University (Ultra high frequency only). 9.05 Gymnast. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather. 12.15 Olympic Ground. Football Focus (12.30). Winter Olympic Games (12.50, 2.55, 4.30, 5.00). Racing from Stockton (1.35, 2.05, 2.35). Boxing (1.55, 2.25). 3.45 Half-time Football Scores: Rugby League (3.50) State Express Challenge Cup; 4.40 Final Score.
- 5.40 News. 5.50 Sport/Regional News. 5.55 Woman. 6.45 Jim'll Fix It. 7.20 All Creatures Great and Small. 8.10 The Little and Large Show. 8.45 Dallas. 9.35 News. 9.45 Match of the Day. 10.45 Parkinson. 11.45 Olympic Ground. All Regions as BBC1 except as follows:

Wales—5.50-5.55 pm Sports News Wales, 1.00 am News and Weather for Wales. Scotland—5.50-4.30 pm (Grandstand) Cutty Sark Cutting Championship from Dundee. 5.50-5.55 Scoreboard. 9.45-10.45 Sportscentre. 1.00 am News and Weather for Scotland.

Northern Ireland—4.50-5.00 pm Scoreboard. 5.50-5.55 Northern Ireland News. 1.00 am News and Weather for Northern Ireland. England—5.50-5.55 pm (South West only) Spotlight Sport.

BBC 2

- 7.40 am Open University. 2.15 pm Saturday Cinema: "The Feminine Touch". 4.45 Chopsicles. 5.10 Horizon. 6.00 Mr. Smith's Indoor Garden. 6.25 Open Door. 6.55 News and Sport. 7.10 Free to Choose. 7.10. Gauguin Movie: "Each Dawn I Die" starring James Cagney and George Raft. 9.35 Playhouse. 10.50 Post-Impression Exhibition from the Royal Academy of Arts. 11.30 News On 2. 11.35 Midnight Movie: "Beach Red" starring Cornelia Wilde.

Solution and winners of Puzzle No. 4,202

Mr. F. B. Harrison, 22 The White House, St. Paul's Bay, Malta.

Mr. A. J. Hunter, The Old Rectory, Stanford Bishop, Brimsley, Worcestershire, WR6 5UB.

Miss Kim Warren, 35 Philipps Avenue, Exmouth, Devon.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Thruway.

BBC 1

12.30 pm World of Sport: 12.35 On the Ball. 1.00 International Sports Special (Part 1, Sport and the Cinema): 1.15 News. 1.30 The ITV Six. 1.30, 2.00 and 2.30 from Stamford. 1.45, 2.15 and 2.45 from Kempton. 2.55 International Sports Special (Part 2, The Swedish Rally, indoor athletics, the Brooks invitational meeting from Houston, Texas, greyhound racing from Haringey). 3.50 Half-time Football Scores: Rugby League (3.50) State Express Challenge Cup; 4.40 Final Score.

BBC 2

7.40 am Open University. 2.15 pm Saturday Cinema: "The Feminine Touch". 4.45 Chopsicles. 5.10 Horizon. 6.00 Mr. Smith's Indoor Garden. 6.25 Open Door. 6.55 News and Sport. 7.10 Free to Choose. 7.10. Gauguin Movie: "Each Dawn I Die" starring James Cagney and George Raft. 9.35 Playhouse. 10.50 Post-Impression Exhibition from the Royal Academy of Arts. 11.30 News On 2. 11.35 Midnight Movie: "Beach Red" starring Cornelia Wilde.

ITV

9.10 am A Better Read. 9.35 Catch 22. 10.00 Club City. 5.15 pm Mark and Mandy. 5.45 Dick Turpin. 6.15 Saturday Night. 6.30 Saturday Night. 6.45 Dick Turpin. 7.15 Saturday Night. 7.30 Saturday Night. 7.45 Dick Turpin. 8.15 Saturday Night. 8.30 Saturday Night. 8.45 Dick Turpin. 9.15 Saturday Night. 9.30 Saturday Night. 9.45 Dick Turpin. 10.15 Saturday Night. 10.30 Saturday Night. 10.45 Dick Turpin. 11.15 Saturday Night. 11.30 Saturday Night. 11.45 Dick Turpin. 12.15 Saturday Night. 12.30 Saturday Night. 12.45 Dick Turpin. 1.15 Saturday Night. 1.30 Saturday Night. 1.45 Dick Turpin. 2.15 Saturday Night. 2.30 Saturday Night. 2.45 Dick Turpin. 3.15 Saturday Night. 3.30 Saturday Night. 3.45 Dick Turpin. 4.15 Saturday Night. 4.30 Saturday Night. 4.45 Dick Turpin. 5.15 Saturday Night. 5.30 Saturday Night. 5.45 Dick Turpin. 6.15 Saturday Night. 6.30 Saturday Night. 6.45 Dick Turpin. 7.15 Saturday Night. 7.30 Saturday Night. 7.45 Dick Turpin. 8.15 Saturday Night. 8.30 Saturday Night. 8.45 Dick 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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BT

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Saturday February 23 1980

Interest rate leapfrogging

THE Federal Reserve's latest efforts to tighten American monetary conditions have been echoing round the world's money markets all week. And the leapfrogging of prime rates in New York yesterday, with some banks settling on a record 16½ per cent, made it clear that it will be some time before the chain reaction plays itself out. The speed and apparent eagerness with which central banks in Japan, France and Switzerland followed the Fed's lead during the week, is an indication of the strength of monetary pressures which have been building up in most industrialised economies in response to the inflationary effects of oil prices. With inflation rising rapidly even in Switzerland and Germany, interest rates last adjusted in November have been too low to contain the demand for funds from industrialists and consumers.

Leakages

Of all the major economies, only Britain has so far experienced anything that might pass for a monetary squeeze significant enough to reduce inflation in the medium term future. Even in Britain the well known leakages and distortions, as well as uncertainties about the authorities' resolve, have cast doubt on the effectiveness of monetary policy.

It now seems likely that the American initiative will lead other central banks towards a tighter monetary policy which may, with luck, reduce the probability of a world inflationary spiral. The immediate prospects for growth in trade and output, on the other hand, are obviously threatened. Whether the increases in interest rates round the world end up doing more harm than good depends to a large extent on whether central bankers concentrate on domestic or international factors in determining their policies.

It is still far too early to talk about an international interest rate war, with monetary authorities competing to raise their interest rates in order to protect their currencies against a strengthening dollar. But the traditional hard currency countries, which are now intensely worried about inflation, will be very tempted to resist any devaluation that might push up domestic prices.

The D-mark will come under increasing pressure if the Federal Reserve shows real determination to curb monetary growth, since excessive credit creation in America has been largely responsible for the declining trend of the dollar. Germany's trading position is at the moment by no means encouraging.

The current level of the D-mark has been sustained by the flight from the dollar, rather than by relative industrial competitiveness. At this

level German exporters, adaptable as they are, may find it difficult to sell the goods required to pay for their country's oil bill. By contrast, Japanese manufacturers, also faced with the task of bridging a trade gap expected to rise to \$100bn this year, have benefited from a 19 per cent devaluation against the dollar in 1979.

While it would be desirable for the German authorities to raise interest rates to the extent that this was required by domestic monetary targets, even higher interest rates may be required if a depreciation of the D-mark is to be avoided. This could set off a cycle of competitive currency revaluations which would harm world trade, deepen the approaching recession and prevent the readjustments in world trading patterns that the latest round of oil prices increases requires.

Investors in Britain, however, do not appear to believe that a competitive escalation in interest rates to excessive levels is an immediate problem. The gilt-edged market fell by no more than 1½ points in the week, despite all the commotion in foreign bond markets. The majority view still seems to be that British interest rates are high enough, for domestic reasons, not to be affected by the events abroad. Suggestions from the clearing banks that further assistance from the Bank of England might be required in order to avoid an increase in rates before the Budget, were dismissed as little more than special pleading. The Chancellor's response to the pressure in the British money market—that it would make no sense to raise interest rates a month before a Budget which would inaugurate a long-term downward trend—was accepted as sufficient justification for the Bank's recent meddling with market forces.

Wide range

The Budget is preoccupying investors even more than is usual at this time of year. There is a widespread feeling that all bets are off until the Government shows its hand. For the Chancellor has a wider range of options open to him in the forthcoming Budget than he cares to admit. He could cut income taxes or raise them (by the backward method of failing to adjust personal allowances for inflation). He could value specific duties and give a small boost to inflation or leave them unchanged and forego an opportunity to cut borrowing or other taxes. He could give special help to industry. Or he could put everything into an effort to reduce the PSBR. The hints that next year's PSBR will be below £9bn suggest that the Government is opting for the last course. A low PSBR would be Britain's best defence in a world interest rate war.

The stranding of Hull's fishermen

BY MAX WILKINSON

AT 6.30 yesterday morning the Hull fish wharf was bustling with activity, in spite of the rain and cold blustery wind blowing across the Humber. Cod, plaice, whiting were being wheeled across the shed floor in big steel vats, as merchants bid against each other for today's supply.

"There's plenty of fish about and prices are quite low," said one merchant. "People are paying hardly any more than three years ago, so the housewife is getting a good deal."

But not so much as a sprat from the 350 boxes traded yesterday had been landed on the wharf of the Albert Dock from a Hull fishing vessel. All the fish was driven to the dock-side market by lorry and container vehicle before dawn. Some fish came down by night from the north-east ports, like Aberdeen, Scarborough, Bridlington and Whitby, but a large proportion is now being shipped into Hull on the other side of the town in overnight ferries from Belgium and Holland.

Merchants estimate that as much as 70 per cent sold in what used to be Britain's most important fishing port has been imported in roll-on roll-off containers from abroad.

The 85 merchants who belong to the Hull Fish Merchants' Protection Association have no choice of supply, because the remains of the once-huge trawler fleet have almost ceased coming to Hull, and perhaps will never return. This week the Fishing Vessel Owners' Association, which leases the dock for £1.4m a year from the British Transport Docks' Board, announced that it expects to go into liquidation.

The extension of territorial waters to a 200-mile limit has

cut off most of the traditional grounds used by Hull's deep-sea fleet. Meanwhile, the imposition of international quotas for herring and mackerel fisheries have cut down their alternatives.

The desperate position of the trawlermen has been made worse, they claim, by the strict enforcement of fishery quotas by British inspectors. Meanwhile, they say, Dutch, German, French and Belgian fishermen seem able to ignore or flagrantly to flout the limits.

The fishermen's allegation seems to be borne out by the rapid increase of imports of wet fish to Hull, as well as by the thriving imports of frozen and processed fish.

Now, Mr. R. K. Dalton, secretary of the Fishing Vessel Owners' Association, said only two of Hull's large freezer vessels are out in the North Sea. Another 24 are fishing for mackerel in the south, but they have exhausted their quotas. The small amount of fish being landed in Hull means that the association simply cannot afford to pay the standing charges. As a result, Europe's largest fish dock, which stretches about a mile alongside a wide bend in the Humber's northerly shore, will probably be left to sit up and rot. Even the Humber's muddy and swirling tide seems to have taken the toll. Two years ago the main ship channel, which swept past the dock, became diverted, and now winds a mile or more away towards New Holland, on the farther shore.

Commercial traffic has long since moved to larger docks on the other side of Hull, or to the more modern facilities across the river at Immingham. So, although the Humber with 33m tonnes a year of cargo is still the third largest of Britain's

ports, only a little behind the Thames, Hull only accounts for 4.5m tonnes, which in 1978 brought in a revenue of £27.5m, with a surplus of £2.4m.

In spite of its enormous size of 27 acres, the fish dock only handled 45,000 tonnes last year, of which 14,000 tonnes was contributed by trawlers from Iceland.

In the heyday of the fishery at the end of the 1960s, perhaps 15,000 people were dependent upon fisheries in Hull. By 1976 this had fallen to 8,600 and last year the figure was around 5,000.

The thousand men who are crewing in the remaining ships have hopes that the owners will find other ports, at least in the medium future. However, in the longer term their prospects are bleak, unless more favourable fisheries agreements with other EEC countries can be reached.

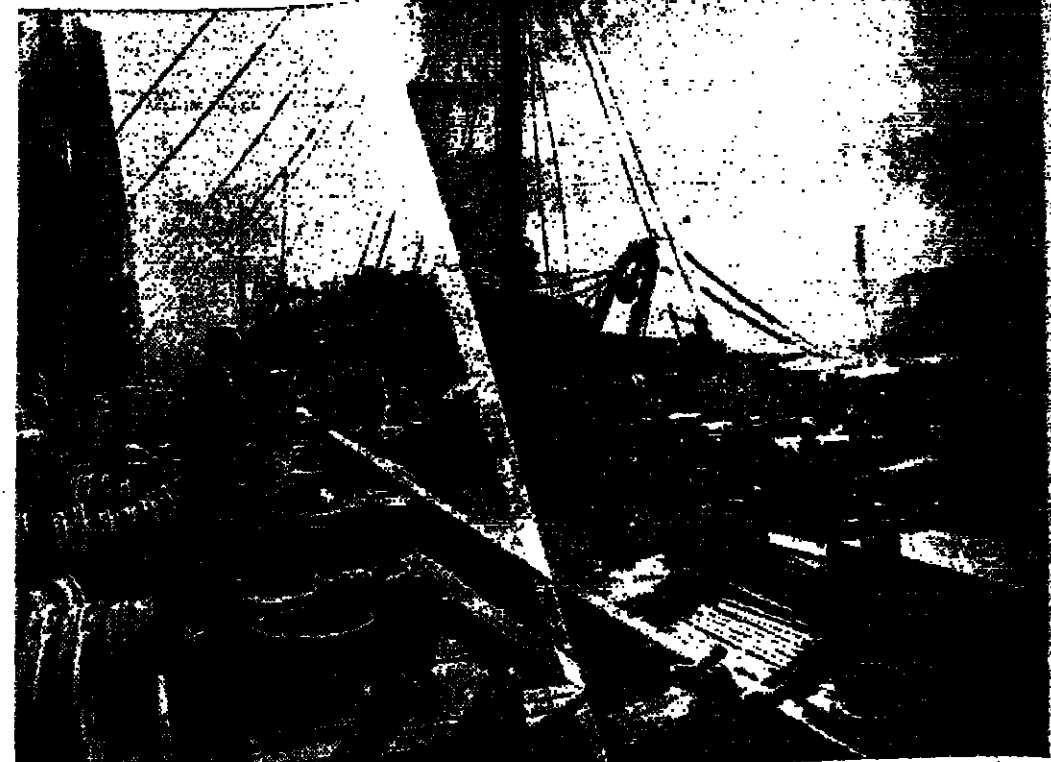
Resigned

On shore, the jobs of some 4,000 or more workers relating to fisheries—fish meal, processing, chandlery, and other work—are threatened. Yesterday Findus announced that 250 jobs would be lost by the closure of two processing factories on Monday. The 180 bobbers who unload catches were laid off. Mr. Maurice Owston, chairman of the Wet Fish Bobbers' Committee, is pessimistic about the chances of their ever being recalled. Some of the older men, he fears, may never work again.

Inland from the docks, in the ancient and independent city of Hull, people tend to view the probable death of their oldest industry with a gloomy resignation. Mr. Bill Hope, secretary of the Chamber of Commerce, points out that, even in its heyday in the 1960s, the fishing industry only accounted for about 8 per cent of the total working population.

"It's not like taking steel from Southampton. In the outside world, people think of Hull as a fishing port, but that's probably not so any longer."

Indeed, the closure a few years ago of the Imperial typewriter factory by Litton Industries perhaps made more immediate impact than the slow decline of fishing. Now, the most important employer is probably British Aerospace, with a large factory at Brough, just up river. Other engineering and food-processing companies, including Reckitt and Coleman, help to provide the 190,000 jobs on North Humberside. Even so, with unemployment at over 10 per cent, and rising, the city cannot afford to lose an industry whose tradition reaches back to the whaling fleet of the 16th and 17th centuries—which rose to 70 vessels in the 1760s under



In the days when there was cod to be caught, a trawler discharging in Hull in 1974.

"... It seems crazy to me"

After more than 40 years in trawlers as apprentice deck-hand, mate and skipper, George Phillips is now looking for a job as a night watchman.

But he has no hope. It is three weeks since any fishing vessel entered the 27-acre Hull fish docks, and that was an Icelandic boat. Not long ago there would have been plenty of alternatives to Social Security for a retired skipper fallen on hard times: repairing nets, watching ships and other shore work used to be plentiful.

But now that huge stretch of enclosed water to the east of Hull is desolate and inactive. Most of the trawlers there are laid up rusting and empty.

Even at the Star and Garter, which used to be crammed tight as a fish-bell full of sailors, the long bar is now comparatively empty of trawlermen: for the remains of the Hull fleet has all been forced south to chase the inferior mackerel instead of the North Atlantic cod for which the big freezer ships were built.

For a man like George Phillips, the decline of the fleet from nearly 150 vessels 15 years ago to only 28 at present, presents a bleak and extraordinary contrast.

"On my first trip back from Iceland in 1953, as skipper of the Opheila, we got back to Hull at 9 a.m. with 400,000 stone of fish on board and

there were 24 ships ahead of us waiting to be unloaded."

In those days trawlers were sailing 10 months a year to Iceland with an average of 21 days for each trip. This year, however, each freezer trawler will only be allowed on average a little more than one trip to the North Atlantic for internationally agreed quotas for white fish are exhausted.

Before the days of quotas and international agreements, a skipper's only restriction on fishing was how hard he could drive his men before they fell over with fatigue.

When George Phillips went to sea as a 14-year-old apprentice in 1930, he was expected to work 36 hours without a break on the fishing grounds. Then after two hours sleep the crew would be pitched out on deck for another "shift" of a day and a half. "In those days if you got two hours sleep in 24, you worshipped that skipper," he said.

In the more civilised years after the war crews of about 20 men have been allowed six hours sleep for 18 on deck (now it is 12 on for six off).

After nearly 20 years skippering larger and larger vessels with names such as Lord Rowallen and Arctic Crusader, George Phillips, like many other older trawlermen, found he could only get poorly paid and less demanding jobs on coasters or safety ships for the North Sea oil rigs.

Now the career of George Phillips is finished. But the outlook for 22-year-old Jack Stevens, bosun of the St. Benedict, is hardly less depressing.

As the third in command of Hull's second largest freezer trawler, Jack Stevens can boast success by any standard. However, he is angry and rather frightened to find himself caught up in the clash of international politics which he does not understand, and which threaten the extinction of the remains of the fleet.

"On February 16 we were lying off Milford Haven and had caught our full quota of 350 tonnes of mackerel. But all around us there were Dutchmen and Germans carrying on fishing. On Wednesday, one of the Dutchmen came up to try to sell us fish at half the normal price because we weren't allowed to catch any more. I am a fisherman. I don't know anything about international law, but it seems crazy to me," he said.

In spite of the hardships of the profession, Jack Stevens can't think of any other career outside fishery. His father and grandfather were famous trawler skippers, and he talks about their exploits and the heroes of the cod war, with a sort of Viking reverence and intensity. "I'm a success," he says. "It's in my blood, but what a bloody awful industry to be successful in."

of the suspension bridge spans only the centre sections, leading from nowhere to nowhere, and unkind critics say it won't be much better when it is finished. However, the completed M62 has broken Hull's former isolation to some extent.

Even so, Dr. Eric Evans, lecturer in economics at Hull University, remains pessimistic about the prospects of replacing the fishing industry on the North Humberside. Manufacturing, he says, provides fewer and fewer jobs relative to investment. Tourists, whose numbers have been increasing, drive straight on to Scotland; the bigger chemical complexes, like that operated by BP, employ only a relatively few people; and freight coming into the docks is driven out again, without adding much value to the

region. Since 1966, a major effort to attract new industry has had only a marginal effect in reversing the general decline, Dr. Evans says, and he fears that not much improvement can be expected. Certainly, Hull seems unlikely in the foreseeable future to regain its former importance as Britain's major fishing port, and a centre for bulk exports. That is sad for the people of the region. But meanwhile, the roll-on roll-off terminal seems likely to supply the difference between the 250,000 tonnes of cod consumed in Britain and the 80,000 tonnes caught by the British fleet—foreign fishermen will be only too happy to oblige, no doubt, provided that Britain can afford the foreign exchange bill.

Letters to the Editor

Tribunals

From Mr. G. Wood

Sir,—In reply to John Collins (February 16) any appeal to a tribunal would be useless because it has no power to compel reinstatement, only to award compensation in default of an order to reinstate. The amount is so small that it is not a deterrent to the employer who can cynically anticipate payment and consider it cheap to dismiss with impunity.

The appointment or removal from office of a steward, as a plenipotentiary of the union, is the prerogative of the membership, or district committee, which can withdraw credentials. Consequently, the dismissal from employment by management of a steward engaged in the course of his duties can be seen as a challenge to the whole trade union and labour movement.

The law provides that no account shall be taken of any pressure, or other industrial action or threatening to do so, when determining the reason for dismissal. For other substantial reasons the burden of proof is on the employer who must have acted reasonably. Clause 5 of the Employment Bill now before the House removes from the employer the onus of satisfying the tribunal that he acted reasonably in treating it as a sufficient reason for dismissing the employee.

Instead of a legalistic approach, the best way to resolve this question is via the disputes machinery where the employer can, if necessary, question the credibility of union representatives. Geoffrey A. Wood (Member of the Amalgamated Union of Engineering Workers/TASS employed at Rolls-Royce) 7 Wolferton Road, Bristol

Auditors

From Mr. J. Newman

Sir,—Now that the civil proceedings between Harwood Banner and Co. (now Deloitte

and Co.) and the Liquidator of London and County have been settled, I suppose we will have to wait another two or three years before the criminal proceedings will be settled. In the interim, no self-regulatory action will be taken by the Institute of Chartered Accountants in England and Wales. This underlines the basic flaw in self-regulation when dealing with a profession which exercises a duty placed upon it by law: in this case, that of an audit under the Companies Act 1948 to 1976. The only way that that duty can be discharged and controlled is by a body operating with the force of law. A group of fellow professionals who are held off for 6-7 years by legal processes from acting is inadequate and will always be so. Nor, incidentally, will proposals for including non-professionals on disciplinary bodies (as recommended by Gross) assist here.

It seems to me that given that regulation of auditors is necessary, then the regulatory body should either be part of the courts of the UK, or be under control of the Department of Trade, eg. like the Registrar of Companies. Re-reading the revelations of the Department of Trade Inspectors reminds me of the fact that there is no lack of men of the right calibre in either the accountancy or legal professions with the ability to exercise a regulatory auditing function. I would like to recommend a strengthening of the powers of Department of Trade inspectors so that they could specifically investigate audit reports under the Companies Acts and discipline auditors of public companies.

John A. Newman, Kingsgate House, 115, High Holborn, WC1.

Liability

From the Deputy Director-General, Confederation of British Industry

Sir,—You reported the CBI's views on liability for defective products on January 5, but the

recent correspondence in your columns illustrates that there is still a good deal of confusion on what is at present being proposed by the EEC Commission. We certainly agree with the director-general of the British Safety Council when he says (February 15) that the manufacturer should bear the cost if the ultimate responsibility for accidents and consequent injuries can be attributed to fault on his part. Unfortunately, the proposal is that he should bear the cost even if he was not at fault, and it is this aspect to which industry particularly objects.

The EEC Commission has not established that differences in existing laws within the Community have any effect on trade, but there is certainly a case for making any changes in the law on an international, rather than a national, basis. It must, however, be decided what such changes are intended to achieve. If it is to clarify and update the law of tort, then the U.S. Model Uniform Act, in the CBI's opinion, shows the way to go. If it is to provide a universal compensation system then some type of extension of the social security system is required.

Bryan Rigby, 21, Totterell Street, SW1.

Risks

From Dr. K. Feldman

Sir,—Drs. Dimson and Marsh ask (February 18) "... Can anyone really afford to ignore the new technology?" (of risk v. return). From the diagrams printed, I would suggest that indeed most people can! Two of the five risk classes in the Sharpe and Cooper data with betas below one gave higher geometric returns than two of the five classes with betas well above one—and this was, apparently, based on 38 years' data on 955 shares.

Mr. Girmes (February 8) drew a line through the data with a much more gentle slope than in the Dimson-Marsh letter. This, I would suggest, merely em-

phasises the degree of uncertainty in trying to measure the slope (or indeed, prove the case) with only ten data points.

Over a time scale of a few years (during which the performance of a typical fund manager will be measured) the relationship is even weaker and there will be a very significant proportion of funds whose relative performances will be quite contrary to that expected from their betas. The question is not whether there is a relationship between beta and return, but whether the relationship is sufficiently well defined to be of any practical use over a limited time interval.

Dr. K. S. Feldman, 4, Westchester Drive, NW4

Whitehall

From Mr. S. Parkinson

Sir,—John Elliott and Peter Riddell (February 14) are surely right in suggesting it is time for a change of attitude about transfers between Whitehall and industry. Whatever those ever vigilant custodians of our security at Westminster may think, men who have proved their worth in high office should be entitled to move into industry. They have a great deal to offer in judgment, possibly organisational skill, knowledge and dedication. Why at the early age of 60 should they not continue in jobs elsewhere at comparable levels? Britain is not so rich in talent that we can afford to discard them.

The poor chaps are barred from speaking up for themselves while still in Whitehall or the armed forces, and habit and dignity probably discourage them from doing so later. Otherwise they might be tempted to suggest that the publicity and investigation their desire to continue in work incurs could equally be applied to MPs and ex-Ministers who move from Westminster to industry and commerce or whatever, taking their secrets and

contacts with them (which, pardon me, they are no more likely than Whitehall mandarins to use).

S. W. Parkinson, West Woods, Hazelwood Lane, Chipstead, Surrey

Airport

From Mr. P. Keggie

Sir,—Sir Colin Buchanan's note of dissent to Roskill is famous for advocating M4 but it should rather be remembered for the clarity with which it speaks of the "magnetism" that "is bound to pull a new airport into the London-Birmingham corridor where it can tap the travel markets of both London and the west Midlands."

Mr. Laurence Dewhurst (December 22) quoted a great many points made by the study group on south-east airports in favour of the new site in the "London-Birmingham corridor." The site "within 5 km of M1" is Yardley Chase. Mr. Dewhurst claims that runways "slightly skewed to the south west" and used in segregated mode would relieve a string of seven villages almost completely of noise, and cut noise nuisance "almost to nil." My acquaintance with geology led me to find the clue to the truth of this claim in the study group's statement that "This site occupies a low limestone ridge between the valleys of the Nene and the Great Ouse... a sparsely populated area" as limestone upland usually is. The limestone ridge extends to the north east of Yardley Chase, the direction from which aircraft come in to land on some 250 days of the year, to form a "noise slot" 2½ miles wide and 12 miles long. Most of the villages Mr. Dewhurst names are either down in the Ouse valley to the south of the ridge or in well-watered dips in the ground to the north. The study group shows that the "noise footprint" is narrower

than the distance between the villages on either side of the ridge. To the south west, aircraft could take off on a straight line through a two mile gap between villages and over uninhabited forest. Noise at 35 NNW would affect only 2,600 people for traffic of 25m passengers per year.

The study group states that "If problems of access to London could be overcome an airport at Yardley Chase roughly halfway between London and the Midlands might fulfil a national role rather than as part only of the London area airports system." The best solution to the congestion problem on M1 is to build a high-speed toll road beside M1, starting at M25 with access only at Luton, Milton Keynes, Yardley Chase, Northampton, M45 for Coventry and M1/M6 cloverleaf junction for Birmingham, the north west and the north.

Such a road would: pay for itself, the toll to be removed once it had done so; relieve congestion on M1; improve safety by segregating express traffic; increase speed of access between the most populous parts of the Kingdom; and help to build up "new, expanding industries" where they are most required, as at Corby.

The enquiry into terminal two at Gatwick looks likely to continue for some time. If the application succeeds we shall be stuck with an airport as big as Heathrow now is, far worse for noise than any of the study group's six shortlisted sites, a hundred miles from the heart of England in an area with no room for the "new, expanding industries" so much needed in the East Midlands.

The study group on south-east airports has, all unnoted, given in Yardley Chase a good answer to the national airports question. The site merits closer investigation. Peter Keggie, 145, Grosvenor Crescent, Hillingdon, Uxbridge.

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THE M&G GROUP

BY ANTONY THORNCROFT

The way out of the darkness

FEBRUARY IS traditionally the worst month for the West End theatre. This year, coming at the end of 12 months which have seen audiences decline by a quarter, it is hardly surprising that pessimists about the future of the commercial theatre in London are having a field day. The fact that half-a-dozen theatres are (temporarily) dark and the Shaftesbury always a problem, looks set for a long period of inactivity, seems to justify their gloom. In practice the West End theatre, like any good drama presented on its stages, thrives on ups and downs, sudden twists of fortune, dark moments before bright new dawns.

If the recent past has been gloomy the immediate prospects are, to say the least, interesting. On Thursday the curtain rises again at the Duke of York's which Mr. Peter Saunders sold last year to Capital Radio at a bargain price on the understanding that the commercial radio station preserved it in perpetuity as a live theatre, and also spent what turned out to be around £750,000 on refurbishing the interior. The new play is *Rose*, starring Glenda Jackson, written by a name fresh to the West End, Andrew Davis, and produced by a fairly new management company, Lupton Theatre. Capital is determined to be a new kind of theatre owner. It is fixing the seat prices—the maximum of £8.50 is low for the West End—and intends to use the empty daytime hours for conferences, broadcasts, concerts, etc.

Then, in early March, Ian Albery is experimenting at Wyndham's by presenting two separate performances each evening, *Accidental Death of an Anarchist* and *The Primary Eng-*

lish Class, both of which were successes on the theatrical fringe. They are to be performed in the West End by their original companies, one of which, Belt and Braces Roadshow, has always attracted a markedly left-wing vantage point. If there is a West End audience for the shows Ian Albery's competitors among London's producers will be surprised, but at least such a gamble is better, and can be less expensive, than keeping a theatre closed. It also makes more use of the theatre—there will be 12 performances a week instead of the normal eight from one play.

Marketing

Among a host of productions at various stages of planning are a clutch of musicals which traditionally either lose, or very occasionally, make a fortune. Harold Fielding is behind a £250,000 production of *On the Twentieth Century*, a success in New York and opening at Her Majesty's in March while another Broadway hit, *Sweeney Todd*, arrives at the Theatre Royal, Drury Lane, in the summer at a cost to the Robert Stigwood Group of £500,000, making it the most expensive production ever mounted in London.

Apart from individual managements backing new ventures, the Society of West End Theatres (SWET) is at last making a concerted effort to fight the decline of the last two years. A development officer, Mr. Vincent Burke, has been recruited, and while he is currently gathering information and

putting together plans for joint action some indications of the more aggressive marketing likely to be attempted are already apparent. One scheme, now established, is to dispose of unsold seats to students at very cheap prices just before the start of a performance. Over 30 theatres are co-operating and in six months an estimated 70,000 students have taken advantage of the sizeable discounts.

Another initiative, in co-operation with the British Tourist Association, is about to start in North America. This is a promotion offering prospective tourists tickets for the West End at appreciable savings. Perhaps the major reason for the collapse in audiences in the past two years has been the fall in tourism from the U.S. Overseas visitors make up half the admissions in the summer months and it was estimated that three out of every four Americans visiting London went to the theatre at least once. But last year there was a 13 per cent drop in North American visitors and those that did come, hit by the much higher prices of hotels and restaurants in London, economised by cutting down on trips to the theatre. SWET is now attempting to reverse the trend.

Other ideas are also under consideration—forming an association on the lines of Friends of the West End Theatre and offering a subscription scheme covering a number of theatres; a centralised ticket selling service with price reductions on the day of the performance; getting companies, especially the TV companies which depend heavily for their success on actors nourished in the live theatre, to sponsor plays;

cleaning up the West End so that more nervous suburbanites are not deterred by seamy street scenes (a start is being made in the Covent Garden area in the near future); promoting seat selling by credit card and using the telephone more effectively; and building up mailing lists. The London theatre owners and producers have an example of what can be achieved firmly before them. Broadway was in an even worse state in the mid-1970s and now audiences have risen there by 76 per cent in five years. This turnaround was achieved by spending money on marketing.

However, not all producers are so confident that American methods will work here. For a start a major cause of the improvement on Broadway has been the success of TV advertising campaigns for plays. In Britain, at least until the start of the second commercial channel, such advertising is too expensive. Instead a great deal of attention is being paid to group bookings and special seat offers. Harold Fielding reckons that half the seats at his productions are sold to groups—factories, women's organisations, clubs, etc.—and his ability to sell people a trip to London built around a show is the key to his success. Ian Albery has managed to turn *Oliver!* into a permanent hit by such innovations as admitting one child free with one adult at all performances, and publicising it as far afield as Norway. At another of his productions, *The Last of the Red*

Hot Lovers, audiences have grown since he offered seats on Monday nights and matinees at half price.

What virtually all impresarios do agree on is that the West End must concentrate in the short term on attracting back the British audience. So Eddie Kulukundis, one of the most active producers of recent years, has not together with John Gale and Michael White in forming the Theatregoers Club of Great Britain which by heavy mailing shots attempts to sell a provincial audience a day in London: already 10,000 seats have been sold this way. But if there is an air of experimentation about how to fill seats the producers are, in the main, following a very conservative policy in the plays they choose to present. While they are quick to put the blame for the drop in audiences on the fall in tourism, the increase in VAT, the attractions of TV, the advantages of the subsidised theatres in capturing the top actors, and the fall in disposable incomes they rarely mention the quality of the product on offer.

Revivals

On the one hand there has been a spate of revivals—*The King and I* and *My Fair Lady*, which have made or seem certain to make money, *Irena in Douce* and *Hello Dolly*, which have not, and *Okla!oma!* to come. On the other there is a reliance on plays which have proved their worth in the pro-

vinces, or in the subsidised theatre. The West End producers justify such an undynamic approach by pointing to the unfairness of the competition. The provincial theatres and national companies like the National and the RSC are heavily subsidised by the Arts Council or local authorities: how can commercial operators be expected to compete, especially in hard times? Much better to co-operate with the subsidised theatre companies and by bringing successful plays to the West End give them back some cash.

So the RSC has benefited from numerous transfers to the West End—and Broadway, and with *Flaw* and *Once in a Lifetime* due at the Piccadilly soon the mutual back-scratching will continue. *Chicago* at the Cambridge came from Sheffield; *Bodies* at the Ambassadors from Hampstead; *Beecham* at the Apollo from Salisbury; *Last of the Red Hot Lovers* at the Criterion from Manchester; and *Born in the Gardens* at the Globe from Bristol. In the next few weeks H. M. Tennent is bringing in *Before the Party* from Oxford. While it takes so long to recoup the investment on a new production the number of genuine old-fashioned gambles in the West End will be limited.

The financial facts are frightening. Ten years ago Ian Albery launched *Not Now Darling* on an unsuspecting West End for £15,000; he has recently revived it at a cost of £50,000. The high cost of the initial investment means that the producer and his backers have

to wait a dangerously long time for any profit. *Bodies* has had a successful run but its profits are not yet double its capital outlay. Ten years ago we would have expected to make 1,000 per cent," says Cooney. *Chicago*, which has been running for over a year cost £125,000 to mount and has brought in only £150,000. Like every other producer Cooney relies on a few very big hits to subsidise most of his other ventures. He owns half of *Whose Life Is It Anyway?* (the Mermaid has the other 50 per cent) and this, on an initial cost of £30,000, has produced £500,000 in profit. But, says Cooney, "I have lost all the money I made from *Whose Life on Bealemania*."

Angels

Of course the risk element is one of the attractions of working in the theatre. Eddie Kulukundis reckons he has put on 70 shows in the past 10 years and has just about broken even—his profits from 10 big successes have paid for the losses on 60. Kulukundis, like Cooney and Fielding, is unusual in putting some of his own money into his productions. It is one of the peculiarities of the business that the producer, while taking 40 per cent of any profit, often suffers no financial loss if the play fails because the money has been put up by his group of angels. But then without a successful track record you are unlikely to find a band of loyal backers. Outside backers are essential for musicals which cost around

five times as much to produce as straight plays. "While straight plays are much cheaper to produce in London than in New York, for musicals the costs are about the same," says Bob Swash of the Robert Stigwood Organisation. However, for him the greater investment has proved worthwhile. He put on *Eritia* for £400,000 but the initial expenses were recouped in 28 weeks and were about the same," says the theatre owner was usually prepared to make good the gap by accepting a lower rent. But now, according to Ian Albery who, as the owner of four theatres as well as being a producer experiences both sides, the impact of 15 per cent VAT means that losses on the same level of business are nearer £2,000 a week, and although it costs a theatre owner around £3,000 a week when it is dark (unless he sacks the permanent staff) owners are now more inclined to give producers notice and close down rather than nurse plays with no guarantee of an upturn in receipts. Albery sees VAT as the curse of the West End theatre and unless managements can push up capacity from the break-even point of around 55 per cent to a comfortable 70 per cent by promotional methods he forecasts a bleak future.

Weekend Brief

Lofty tales of eastern promise

Move over Detroit and Atlanta both: the title of city with the world's tallest hotel in it, to which the cities are currently joint claimants according to that impeccably reliable source, the Guinness Book of Records, is about to move to Singapore. The on-again, off-again Raffles City complex, which boasts a 71-storey central hotel tower is officially on again. The contract will be awarded early May and the official ground breaking ceremony is scheduled for mid-June.

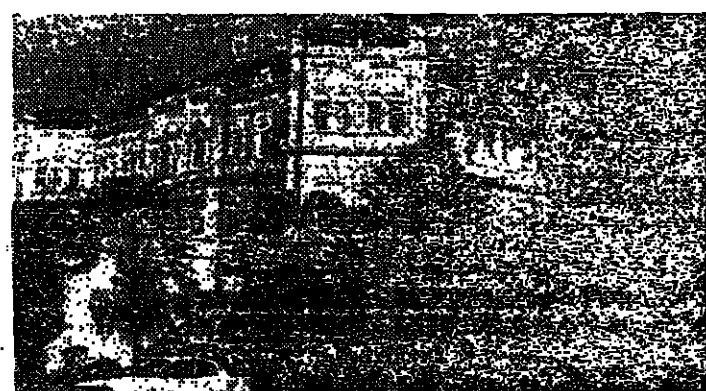
Some Singaporeans were starting to wonder whether the prime eight and a half acre site would stay empty forever, after ten years of what one local described as an ongoing go-no-go situation. "We called in the architect I. M. Pei in 1969 to act as consultant for the project and at that time we drew up plans for an 80 storey combined hotel, condominium and office complex," said Lau Chan Sin, vice president of the Development Bank of Singapore, which together with the Singapore Government, is the majority shareholder in the project. "But the market conditions weren't right at the time."

Then in mid-1975 the plans were dusted off again. The economy was buoyant and the market conditions in relation to hotel accommodation had never looked brighter. Despite the fact it already has 11,500 beds Singapore hotel rooms are currently running at 87 per cent occupancy. Over the last five years Singapore has been doing a brisk trade in conferences and seminars but lack of facilities has denied her a place on the world's international convention destination map.

Raffles City will change all that—the plans put out to tender last week include a seven-storey conference complex with a central auditorium, 4,000 convention delegates, and additional seminar and meeting rooms capable of seating another 4,000. The addition of the convention complex has made Raffles City a highly attractive proposition for an other Singapore investor, Singapore Airlines, which is putting up 5 per cent. The central 110m construction costs. Due to be completed by mid-1984, the three-tower Raffles City complex will dwarf its staid neighbour the richly historic Raffles Hotel. "The central tower will be 71 storeys—230 metres—tall with 41 smaller towers of 28 storeys, respectively, rising from a seven-storey podium," said Larry Magnan, vice president of Western International Hotels, who have signed the management contract for the complex and are currently working with I. M. Pei on the "schematic design development."

According to Magnan no expense will be spared to make Raffles City the premier hotel not only of Singapore but of all South East Asia. "Our market research shows that people like large rooms and large beds so we will have the largest rooms

Singapore plans to reach for the skies . . . smuggling in the Bahamian islands . . . and Britain's U.S. election



The present Raffles hotel

and the largest beds possible and our recreational facilities will be second to none—on the rooftop of the seven storey podium we will have six tennis courts, six squash courts, and an olympic size swimming pool. And on the 71st storey of the central tower we have a revolving restaurant and cocktail bar. Raffles City will be the Eldest Tower of south east Asia."

Low life on the high seas

THE freighter was anchored just off Chubb Cay in the northern Bahamas when it was spotted by a Bahamas Defence Force cutter in the pre-dawn hours. There was no mistaking its cargo. From howl to stern, 150-foot Colombian-registered *Irma* was stacked with 2,000 bales of marijuana. It was the largest single drug haul made by the Force since its establishment four years ago.

Bahamian police and defence officials last year seized 900 pounds of cocaine and 450,000 pounds of marijuana with a combined street value of nearly \$1bn, but authorities say that represents only 5 to 10 per cent of the drugs passing through the islands from South America. According to the U.S. State Department, the Bahamas has become a major transshipment point for cocaine and marijuana destined for the United States.

Ten years ago participation in the trade was confined exclusively to foreigners. Today roughly half the drug arrests made involve Bahamians. Drug smuggling has in fact become the country's newest growth industry, and its impact is being felt throughout the economy.

Many of the business and property purchases made by Bahamians on Grand Bahama island within the past two years have allegedly been financed by the sale of drugs. Last November a prominent Bahamian businessman from Freeport, Grand Bahama, was charged in San Antonio, Texas, with conspiring to smuggle drugs into the U.S. worth an estimated \$1bn.

In the more remote islands where money and jobs are scarce, drug-running has become the principle source of income for many families. The government itself profited by over \$1m last year from fines and forfeited bail in drug-related cases. So did Bahamian lawyers from large fees paid by drug defendants, most of whom disappear before they can be brought to trial.

A recent survey by the Bahamas Financial Digest, a

monthly newsletter, revealed that cash payment in American \$100 bills for cars, boats and other high-priced items is now common in Nassau.

Like poaching, the drug traffic has thrived largely because of the difficulty in policing the 100,000 square miles of water and 700 islands and cays that make up the Bahamian archipelago. Brought in by sea and air, the drugs are hidden on isolated cays or near remote air strips for later pick-up and delivery to South Florida.

Ironically, new airfields built to encourage tourism in the outer islands have also been used to advantage by the smugglers. Undercover agents, operating on Bimini without the knowledge of Bahamian authorities, have claimed that the island, located 60 miles east of Miami, is being used as a base for one of the biggest drug smuggling operations in this part of the world. They have charged that local officials are receiving payoffs of over a quarter of a million dollars to look the other way. Two raids by Bahamian police within the past five months tends to support the claim of a sophisticated drug ring on the island.

Police files show a definite increase in violent crimes associated with drug-smuggling. In the past three years a half dozen policemen have been shot, one of them fatally, in confrontations with smugglers, and nearly a dozen more people either wounded or killed.

The London Democratic connection

THE 1980 Presidential campaign is hotting up. Not in Washington or New Hampshire but in Britain. The little-known Democrats Abroad (UK) organisation, a group founded in 1960 to work for candidate John Kennedy, is now busily tracking down any and all potential expatriate voters living in the British Isles.

It was not until 1975 that overseas Americans received the right to vote in U.S. elections. But few were willing to take advantage of the offer because of worries that registering as a voter could subject the expatriate in question to American state taxes. This matter was resolved by a 1977 Congressional amendment which promised amnesty from such taxation.

So the race is on. Mr. Michael McNulty, an American businessman who has lived in the UK for more than a decade, is the chairman of the 1,000-member Democrats Abroad group. He is also on the steering committee of the Carter-

Mondale Campaign Committee (UK), the officially recognised re-election organisation.

Mr. Tom Conlon is a 36-year-old international lawyer from Denver, Colorado. He has lived in London since 1973 and has just been appointed campaign director for Senator Teddy Kennedy.

Although both men work together on behalf of the Democratic Party, they are involved in a heady competition for 12 U.S.-citizen European delegates to the Democratic nominating convention. This April, the first-ever presidential preference primary election will be held outside the States.

The 12 European delegates, most from Britain, will be able to attend the Democratic convention in New York this August and cast their votes for Mr. Carter or Mr. Kennedy. In the "grass-roots" tradition of American politics, the two groups are mobilising. Fund-raisers have been held, speeches have been given by visiting parliamentarians such as the noted (pro-Kennedy) historian James McGreggor Burns, and this week a UK newsletter was launched to bring overseas Americans up to date on the latest developments in "Campaign '80."

The newsletter, edited by Isabel Bass, a former Time Magazine correspondent, is a complete "how-to-register-and-vote" for British-based U.S. expatriates. It also contains polemical columns in favour of the candidates.

Tom Conlon, speaking for Senator Kennedy, says: "Our supporters range from Aberdeen to Exeter. We have a 200-strong network of campaign workers including students, housewives, businessmen and even a kennel owner in Leeds."

Mr. Conlon's column in the newsletter was every bit as critical as his comment on President Carter's "live abroad, I get paid in dollars. In the last couple of years the dollar has gone from \$1.85 to \$2.30 a pound. Under Carter, inflation has tripled, the dollar has gone down, unemployment has gone up and interest rates have tripled. This man has problems."

But when asked about Chappaquiddick, he said simply: "It's something which Kennedy has to overcome."

Mr. McNulty takes a different view. He hopes that with the newsletter's appearance in the UK more Americans will register to vote in the postal primary election this spring. He hopes they will vote for Jimmy Carter.

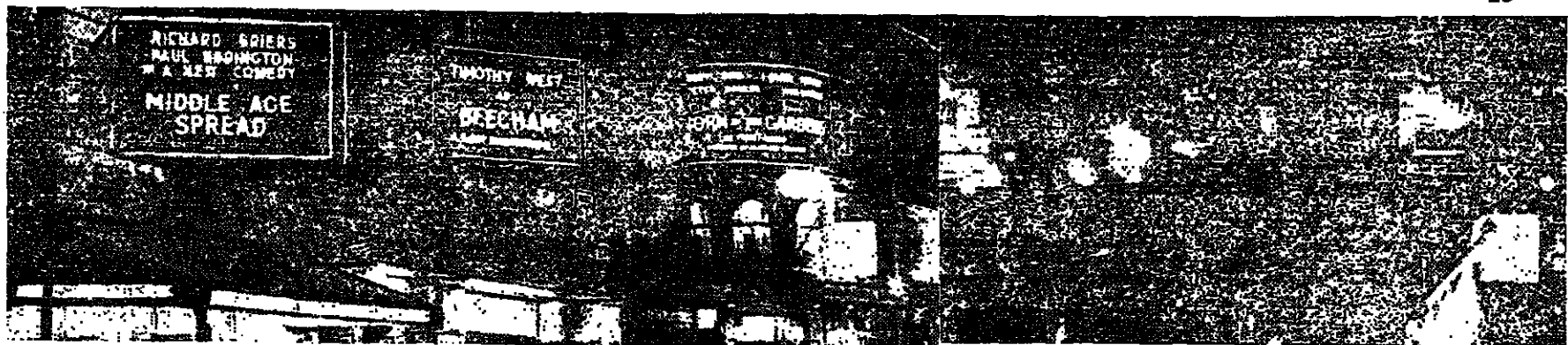
He says: "Carter has shown a great deal of strength on Iran and Afghanistan and also in increasing the quality of the White House staff. He has therefore earned the right to be President for four more years."

With more than two million Americans living outside the States, the organisers at Democrats Abroad are hoping for a reasonable turnout in the primary contest. But sources within the party machinery in London say they would be satisfied with a vote of between five and ten thousand.

Contributors:

Robyn Wilson
Nicki Kelly
Alan Friedman

الرياض 23 فبراير 1980



The lights have begun to go out in the West End. Shaftesbury Avenue alive (left) and in the dark: Queen's Theatre (right).

Leonard Burr

Economic Diary

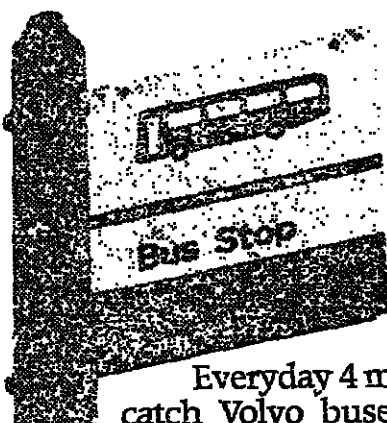
MONDAY: Provisional January retail sales figures. Rover Triumph announces TR 7 convertible sports car. Sale of one of the largest collections of gold coins ever put up for auction, Christies. Threat of indefinite strike by South Wales miners in support of steel workers. International Electrical Exhibition opens, speaks at Parliament and Scientific Committee annual lunch, London. Mr. Kingman Brewster, U.S. Ambassador, tours Cleveland. House of Commons debates Companies Bill, remaining stages.

TUESDAY: February provisional figures of unemployment and unfilled vacancies. January bricks and cement production. Mr. Charles Haughey, Irish Prime Minister, speaks at public hearing on EEC consumer protection programme, Dublin Castle. Report published on the future of medical education in London. New British car launched. Prince Philip opens National Farmers Union growers conference and exhibition, Harrogate. Mr. Roy Jenkins, European Commission president, speaks at Parliamentary and Scientific Committee annual lunch, London. Mr. Kingman Brewster, U.S. Ambassador, tours Cleveland. House of Commons debates Companies Bill, remaining stages.

WEDNESDAY: Mr. Michael O'Kennedy, Irish Finance Minister, presents his budget, Dublin. TUC general council meets.

THURSDAY: Energy trends published. Unemployment, and unfilled vacancies (January—final). Unemployment, vacancies and placements by occupation (fourth quarter). Employment in the production industries (December). Overtime and short-time working in the manufacturing industries (December). Stoppages of work due to industrial disputes (January). Pay talks resume between British Gas Corporation and General and Municipal Workers Union gas workers. Royal College of Nursing conference on

the Government's paper "Patients first." Bankruptcy hearing for Mr. Collin Stone who became a millionaire selling garden gnomes. First International Symposium on the World Car. Toledo, Ohio. House of Commons debates an Opposition motion of no confidence in Government economic and industrial policies. FRIDAY: January final figures of car and commercial vehicle production. Prince Charles visits Decca Radar marine, air and electronic warfare establishment, Hershham, Surrey. Institute of Health Service Administration conference on Government paper "Patients first."



Everyday 4 million people catch Volvo buses and coaches. Which demonstrates Volvo's reliability in terms of passenger satisfaction.

But producing reliable transport isn't our only involvement. We also design transport systems tailored to meet the operating conditions of individual towns and cities. This enables operators to make the most economical use of their vehicle fleets and offer their passengers the most efficient service.

When it comes to coaches—British operators haven't missed the bus—they put our UK sales figures up by more than 100% last year.

Everyday 4 million people catch the same bus.

VOLVO
The buses and coaches others are measured against.

UK COMPANY NEWS

BIDS AND DEALS

Companies and Markets

Lloyds Bank jumps 49% to £277m but CCA gives truer picture

SHARP INCREASES in profits and dividend are announced by Lloyds Bank for 1979 — the pre-tax figure is up from £185.3m to £276.6m and the total dividend is lifted from 10.1437p to 14.25p with an 8p final payment.

First half profits had risen from £78.46m to £122.76m after a bad and doubtful debts charge of £9.9m (£1.3m). At the year-end this has been increased to £11.2m (£3.5m).

The directors say the good results for the year reflect mainly favourable conditions in the UK but international profits were static, being adversely affected by low margins and the strength of sterling.

With inflation high throughout the world, profit is overstated in the historical cost accounts — the current cost result gives a truer picture, reducing profit figures by a little over £100m, the directors say.

Last year was also one in which accelerated inflation and government action to counter it, gave a temporary boost to retail banking profits.

On a CCA basis, pre-tax profits are £189.6m (£132.8m) after adjustments for additional depreciation, £7.5m (£6.5m), monetary working capital, £109.5m (£81.9m) and gearing £17.6m (£10.1m).

In the historical accounts, tax



Sir Jeremy Morse, chairman of Lloyds Bank.

takes £93.2m against £58.4m giving earnings per share of 100.3p compared with 75.8p previously. Fully diluted earnings are stated as 100.7p (70.3p).

Profit is stated after including income from leasing transactions in proportion to net funds invested, using the investment

period method. The effect of this change in accounting policy is that the restated operating profit for 1978 is £38m higher than originally published.

Profit is also after a charge of £11m (£7.2m) relating to the capital and reserves at December 31 rose 16.3 per cent from £1.04m to £1.22m. Total deposits were £161.0bn (£133.5bn), up 18.4 per cent and advances totalled £125.5bn (£100bn) an increase of 25.4 per cent.

The extraordinary credit of £32m relates to the share of extraordinary items, less tax, of the associate, Lloyds and Scottish arising from the disposal of one of its subsidiaries, adjusted for the amount of related premium on acquisition already amortised in the Lloyds Bank accounts.

Operating profit 250.7

Associated profits 25.9

Profit before tax 276.6

Tax 87.2

Lloyds Bank 81.5

Associates tax 11.8

Minorities 0.8

Attributable 182.4

Ordinary dividend 12.2

Dividends 23.9

Retained 162.1

* Restated.

Michael Lafferty writes: The Lloyds result has been achieved

despite sharply increased costs last year. UK payroll costs were 14 per cent up on the year, while the increase for UK staff was 18 per cent.

Lloyds says that higher interest rates in the UK have encouraged more people to switch their deposits from current to deposit accounts. The split of deposits between the two types of account is now around 60 per cent each.

Last year interest-bearing deposits in the UK increased by 20 per cent, while current account growth was sharply down on 1978 at 10 per cent.

The new bad debt figures show the split between specific and general provisions for the first time. Last year Lloyds had a net write-back of specific bad debt advances of £1.4m, against an overall opening provision of £7.7m. Lloyds executives say that the readjustment of the accounts can be adjusted the figures as they wish.

They remain of the view that the bank, like all other lending UK banks, is justified in setting aside a "general provision" to cover latent, though unidentified risks, in the loan portfolio. Exclusion of the general provision would mean that reported pre-tax profits would increase from £185m to £286m, an increase of 55 per cent.

See Lex

Viking Oil agrees offer from Deminex subsidiary

Viking Oil has agreed to a bid from a subsidiary of the major West German oil group, Deminex.

Capitalised at around £30m at a closing price of 310p yesterday, Viking is traded under Lacey 163 of the Stock Exchange and its principal asset is a 20 per cent interest in licences P212 covering North Sea blocks 16/12A and 21/18A.

Block 16/12 lies immediately to the south of South Ene 32 in block 16/7 where a significant discovery was made last year.

Deutsche Erdöl- und Erdgasgesellschaft, the Deminex subsidiary, is proposing to offer 300p in cash and one royalty unit — the right to a specified percentage of oil production proceeds — for each ordinary share.

The royalty units will represent an interest of 7.5 per cent rising to 12.5 per cent in the gross proceeds of oil and gas production applicable to Viking's interests in the North Sea. The Department of Energy has been informed of the proposal.

Ivory and Sims holds about 20 per cent of Viking's shares and the Department of Energy is held by institutions. The deal, which the board has accepted in respect of 22,388 shares, will

relieve shareholders of the considerable seismic and drilling costs expected of any discovery in the group's licences.

See Lex

until March 17.

The present directors of Allied International Designers Group have undertaken to accept the cash offer from Banque du Rhone in respect of 205,515 shares in which they and a former director of the company are interested.

BARIC COMPUTING ACQUISITIONS

Baric Computing Services has acquired Western Data Processing, Exeter, and its two subsidiaries, Agricultural Computing, Exeter, and Eastern Data Processing, Witham, Essex. Baric is jointly owned by ICL and Barclays Bank.

Although Baric has purchased a 100 per cent holding in Western Data and Agricultural Computing, it has acquired only 50 per cent of Eastern Data. Turnover of Western Data in 1979 was £534,000.

EDWARDS DEALS

Montagu Loebl Stanley and Co. has sold on behalf of C. M. Edwards, director of Louis C. Edwards (Manchester), 77,116 new shares; for his father, L. C. Edwards, 56,881 new shares; for his brother, R. L. Edwards, 123,184 new shares; for his sister, Mrs. C. A. Loebl, 79,931 new shares.

On behalf of L. C. Edwards they sold 166,819 ordinary, for R. L. Edwards 221,847 ordinary, and for C. A. Loebl 300,000 ordinary. The price obtained for the old shares was 61p and the new, 62p.

Scott Hancock and Co. has sold shares in Louis Edwards on behalf of directors of that company as follows: J. M. H. Edwards 800,000 ordinary shares, P. L. Edwards 800,000 ordinary shares, 10,000 capital units of L. C. Gas at 73p.

On February 20 Hill Samuel Investment Management as associates of Rascal Electronics

NO PROBE

The Barclays Bank International/Chrysler Credit Australia merger is not to be referred to the Monopolies Commission.

ASSOCIATES DEALS

S. G. Warburg and Co. as an associate of Imperial Continental Gas Association, on February 20 bought on behalf of a discretionary investment client, 10,000 capital units of L. C. Gas at 73p.

On February 20 Hill Samuel Investment Management as associates of Rascal Electronics

PORTALS

Portals Holdings' water treatment division, through a newly formed U.S. subsidiary Portals Water Treatment Inc., has completed the acquisition of Wright Chemical Corporation of Chicago, for U.S.\$2.2m (£0.97m).

Wright Chemical Corporation is a supplier of specialty chemicals for water treatment throughout the U.S.

Blue Circle extends offer as Armitage holding tops 45%

Blue Circle Industries, the major UK-based cement group, revealed yesterday that it has received acceptances from Armitage Shanks shareholders for its offer of 100p (£0.83 per cent) which represents 30.5 per cent of Armitage's equity.

Blue Circle said yesterday, after counting the acceptances as the first closing date for the offer ended, that no new facts have

been brought to the group's attention which would justify any revision of the terms and the offer will not be increased. The Armitage board continues to recommend acceptance.

Details of the acceptances show that shareholders holding 9,595,624 shares have taken up the Blue Circle offer. Blue Circle has built up a total holding of 4,724,558 shares since the announcement.

SHARE STAKES

Tor Investment Trust—Barclays Nominees (St Paul's) has acquired 240,000 capital shares (9.57 per cent) and Pegasus Nominees has acquired 10,000 capital shares making holding 250,000 (10.44 per cent).

Investment Trust of Guernsey—ICFC (Guernsey) now holds 520,631 ordinary (10.62 per cent). Catalin—Jove Investment Trust has acquired 2,500 ordinary making holding 132,000 (7.75 per cent).

Sellicourt—D. V. Pick, director, has purchased 40,000 ordinary.

Ramford—H. V. Bamford, director, has sold 16,000 ordinary. Crystalat—J. C. South, director, has sold 100,000 ordinary.

Ferranti—B. R. V. Z. de Ferranti, director, has disposed of 100,000 ordinary reducing holding to 2,053,937 (16.83 per cent).

Five Oaks Investments—Mr. Peter Bennett has acquired a further 110,000 shares and now holds 335,500 shares (8.06 per cent).

Associated Sprayers—R. W. O. Beney, director, sold 50,000 shares on February 14.

INVESTMENT TRUSTS

WORTHWHILE growth and increased dividends are announced by Carlisle Investment Trust and Tyneside Investment Trust, the two companies currently involved in discussions with Rothschild Investment Trust.

The discussions, aimed at formulating a unitisation scheme, were announced on January 9 following RIT's purchase, through its subsidiary Bume Investment Trust, of 15 per cent of Carlisle and 14 per cent of Tyneside.

For the year to January 31, 1980, gross revenue of Carlisle Investment Trust rose from £1.03m to £1.27m. Net revenue improved from £0.54m to £0.7m after tax of £58,553 (£27,255).

The dividend is stepped up from 6p (4.5p) to 7.5p (5.9p) and includes a non-recurring payment of 0.456p.

The net asset value of each 25p share is 173.8p (169.3p) including prior charges at par and assuming full conversion of loan stock. Earnings are shown up to 5.016p to 5.471p.

Gross revenue of Tyneside Investment Trust advanced from £582,456 to £785,156 in the year to January 31, 1980, and earnings

per 25p share are up from a stated 4.987p to 5.194p. Net revenue after tax, was £415,110 (£212,987) and the net asset value after prior charges at par and assuming full conversion of loan stock, 167.1p (163p).

A second interim dividend of 4.5p (2.93p) lifts the year's total to 7.43p (4.93p), including a non-recurring payment of 0.456p.

Channel Islands & Investment

ST. ANDREW TRUST

Net revenue of St. Andrew Trust expanded from £506,000 to £530,000 in 1979, after tax of

purchased 400 GEC at 353p for a discretionary investment client.

SINGLO SCHEME OF ARRANGEMENT

Under a proposed scheme of arrangement, Singlo Holdings is to become a subsidiary of a new holding company, Singlo Group, and that subsequently all the Anglo-Indian tea interests of Singlo will be transferred to Singlo Group.

An agreement has been signed giving Singlo, upon completion of this reorganisation, the option, which Singlo intends to exercise, to set Singlo to Caparo for £1.5m.

The agreement further provides that, if Singlo does not exercise its option, Caparo would have the right to subscribe for shares in Singlo constituting up to 90 per cent of its capital and the right to purchase the shares of Singlo in the event of Singlo group wishing to dispose of the Indian tea interests.

The directors of Singlo consider that these proposals will significantly improve the liquidity and UK earning capacity of Singlo group, he board is being advised by Barclays Merchant Bank.

CRODA INTNL ACQUISITION

Croda International has bought the Colne Vale Dye and Chemical Company for an undisclosed sum.

Colne Vale, based in Huddersfield, manufactures and sells a range of acid, basic, direct and solvent dyes, complementary to Croda's existing range which is sold under the Bottomley and Emerson brand.

BRIT. UNDERWATER

The NEB has purchased the 0.5 per cent stake in British Underwater Engineering previously held by Wharton Williams. The NEB now holds 90 per cent of BUE and Brown and Root (UK) holds the remainder.

PORTALS

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Kwik-Fit pays £1m for shell company

Kwik-Fit (Tyres and Exhausts), the Manchester-based distributor of automotive parts, has agreed to buy Kwik-Fit Properties, for £1.05m. Kwik-Fit is a Scottish non-trading private company with net tangible cash assets of £1m.

The purchase price will be financed by the issue of 1,564,300 Kwik-Fit ordinary shares of 10p, all of which are being placed by Kwik-Fit's stockbroker, Henry, Cooke Lumsden, at 68p each.

Mr. Tom Farmer, the chief executive of Kwik-Fit, said yesterday: "This is a means for Kwik-Fit to raise £1m in cash at a time when it is very expensive to borrow in the market place because of high interest rates."

He said the company planned to use the money to expand the group. There are presently 120 Kwik-Fit retail stores in the UK, nine in Holland and three in Belgium. The company has also opened two branches in Paris next month on a trial basis, he said.

Kwik-Fit made a pre-tax profit of £1.2m in the last reported year. In the first half of the current year, its profits rose 51 per cent to £317,000.

The group has pursued an active growth programme over the past year. Last May, the group purchased Corob Inter-City Properties as a way of raising more than £5m in cash to finance expansion.

Kwik-Fit acquired Euro Exhaust Centre Holdings last October in a deal worth £10.48m, which established the group as the largest independent tyre and exhaust systems retailer in Europe.

Farmer said yesterday that Kwik-Fit planned to open at least 18 more retail depots in 1980, and between 50 and 60 more outlets within the next few years.

Gieves Group reconstruction proposals

The Gieves Group yesterday published details of its proposed reconstruction and capital repayment scheme and the disposal of its mechanical engineering subsidiary, James Burn Bindings, for nearly £3.7m.

Under the plan, each ordinary share of 25p in the old Gieves Group will be exchanged for an ordinary share of 20p in a new Gieves Group which will own all the other businesses and assets except James Burn. Ordinary shareholders will also receive a share in a new James Burn group. Stander International Corporation, a U.S. manufacturing group, has agreed to bid 60p per share for the new James Burn group.

Holders of the £1 Preference are to receive 2p per share. Preference shares are to receive two ordinary shares in the new James Burn company, equivalent to 120p in cash.

In addition, the directors of the old Gieves Group have resolved to pay a second interim dividend of 2.5p per ordinary share in lieu of the final dividend for the company. This will be paid on May 30, 1980, irrespective of whether the reconstruction is approved.

The proposed reconstruction is to be brought into effect under Section 287 of the Companies Act (1948) and will involve a members' meeting, held on March 31, 1980. The proposal will be contingent upon the following conditions:

Separate meetings of the holders of the 3.5 per cent Preference and 7p Preference shares will be held March 17, 1980, to approve the arrangements.

An extraordinary general meeting of shareholders of the old Gieves Group will be held March 17, 1980, to amend articles for the company. This will be done to approve the transfer of assets and liabilities to the new company.

Stander UK, the subsidiary of the American group, will post its offer to purchase shares in the new James Burn company at an aggregate amount of £3,662,394 to shareholders on April 2, 1980.

The obligation of Stander UK to purchase shares will be conditional upon acceptances being received from the holders of 90 per cent of the issued ordinary share capital of the new James Burn group.

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Gilgate sells Kitchen Queen board shake-up

Gilgate Holdings, the property and insurance group which is the subject of a major Department of Trade investigation and has been studied by the Take-over Panel, has exchanged contracts for the sale of its property in Lancaster. The deal has raised £750,000.

Gilgate said yesterday that, in view of the petition presented to wind up Orthomer—a property investment subsidiary—by the DoT, this contract will need the approval of the court.

The group hoped approval would be obtained shortly and that completion will take place on March 31.

On completion, all the group's borrowings from its bankers and mortgages will be discharged, Gilgate says.

An original contract for the sale of the property in June 1979 at an effective figure of £245,000, announced earlier, was significantly affected by the uncertainties arising as a result of the subsequent presentation of various petitions by the DoT to wind up four of the group's subsidiaries and was not completed.

Further delays and uncertainties followed and made the company's bankers nervous, according to the group, and they demanded payment of their various facilities which forced the board to sell.

BOOKS

Garrick's leading lady

BY PETER QUENNEL

Born to Please: Hannah Pritchard Actress 1711-1768. A critical biography by Anthony Vaughan. The Society for Theatre Research, £5.00. 195 pages

Zoffany's theatrical pictures are among the minor masterpieces of English 18th-century art. There is one exception, however—his painting of David Garrick in the dagger-scene from Macbeth. Although Garrick's expressions, gestures and attitudes are said to have been invariably graceful and, at times, profoundly moving, here he jerks back from Duncan's bedroom-door like an awkward wire-drawn mannikin. Both husband and wife are wearing contemporary costume, Garrick a heavy gold-faced coat, Lady Macbeth a hooped petticoat and sweeping train. His face has the blankly desperate look of a muddle-headed traveller who has happened to leave behind either his passport or his ticket; while his consort, a plain and solid person, registers an air of shrewish rage.

Yet she, too, was a highly distinguished actress, famous not only for her rendering of tragic

heroines but for her delightful comic triumphs and, in her slender youth, for "breaches parts," when she sported male attire. Her name was Hannah Pritchard. Few actresses, we are told, was "so sincerely beloved" or so "powerfully patronised"; and her "unblemished conduct rendered her a universal favourite."

Her industry was equally surprising: in the course of a single season Mrs. Pritchard enacted 47 different roles. Her delivery alone conquered a London audience; for, besides "very expressive eyes," she had "the most articulate harmonious voice that ever Woman was blessed with... and such a natural facility in exerting it" that the commonest thing she said "became of value by her manner." On her "open and pleasing countenance, affability, meaning and cheerfulness... accompanied her well-timed and well-toned laughs; and her "unembarrassed deportment and proper action" enchanted nearly every critic.

This is her first biography, and, despite the fact that it is a learned compilation rather than a literary composition, Born to Please is an unusually rewarding book. Though she came of a theatrical family, Hannah Pritchard was no ordi-

nary Georgian actress. She remained remarkably "genteel," avoided raffish love-affairs, shunned the attention of fashionable rakes, and made an early and successful marriage with "Mr. William Pritchard, engraver in prints," afterwards Treasurer of Drury Lane Theatre, "an honest good-natured man" nicknamed "Downy Pritchard," whose social behaviour even Horace Walpole, when he entertained the pair at Strawberry Hill—they had been introduced by his neighbour Kitty Clive—found far better than he had expected.

Mrs. Pritchard loved and cherished her family, and to support them, until she retired in 1768, very seldom left the boards. Meanwhile, she and Garrick formed a magnificent alliance. Garrick certainly possessed genius; she had, at least, a high degree of talent; and together, for example as Beatrice and Benedick, they helped to revive the true spirit of Shakespearean comedy and tragedy, lost during the previous 100 years. A lesser dramatist, whose work Mrs. Pritchard did her best to interpret, was the 40-year-old Samuel Johnson. Alas, the first night of Irene proved completely catastrophic, partly because her vociferous admirers refused to see her

stranded on the stage, or hear her speak her two concluding lines with the bow-string round her neck. The audience cried out "Murder! Murder!" She several times attempted to speak; but in vain. At last she was obliged to go off the stage alive.

Not a man who took failure kindly, Johnson would always blame the actress, and frequently declared that she was "a mighty stupid woman," and that she had never read the tragedy of Macbeth all through. "She no more thought of the play out of which her part was taken" than a shoe-maker thought of the piece of leather out of which he made a shoe. But his beloved hostess and "mistress" Mrs. Thrale emphatically disagreed. "Dear Pritchard's person," she wrote, "came against her perpetually—but what a mind she had!" Thanks to her wit and charm, one soon forgot the obesity that she developed at a rather early age.

Her serene and dignified carriage, however stout she grew, she retained throughout her whole career; and in 1761, when George III was married to a youthful German princess, Mrs. Pritchard, whose son-in-law had been appointed "Robe-Habit-maker to the Queen," was



Hannah Pritchard in the sleep-walking scene from "Macbeth"

given the task of preparing the ten bridesmaids and advising the inexperienced bride on how she ought to wear her robes and, generally, on her deportment. No other English actress has yet been similarly honoured; and at any future royal wedding it seems improbable that such a tribute to the stage will be repeated.

Fiction

Tough guys

BY C. P. SNOW

Old Soldiers by Paul Bailey. Cape, £4.95. 120 pages

Legends of the Fall by Jim Harrison. Collins, £5.50. 276 pages

The books above are unusual in modern British publishing. The stories they contain—one in the case of Paul Bailey, three in the case of Jim Harrison—are all some-where between the length of the standard short story and that of a novel. There isn't a term for such pieces in English, though sometimes we use the word novella. It is actually a good length for certain kinds of theme, and masterpieces have been written within these limits. Our readers are not now used to the form, and there no longer exist journals where novellas can be published. In the Soviet Union they remain one of the commonest forms of prose fiction, and Vladimir Rasputin (a somewhat unfortunate name to western ears) is one of the world masters of the art.

In diametrically different ways, Bailey and Harrison now show us some of the art's possibilities. Bailey has already established his reputation here, more as a writer's writer than one "with a wider public," regrettably. It is time that that was set right. He is very good indeed, which may be an understatement.

Old Soldiers is a beautiful example of his work. Two men, both in their late seventies, meet by chance, and for the first time, in St. Paul's Cathedral. One, Victor Barker, is mourning the death of his wife, after a blissful marriage, which is the only valuable thing that life has given him. The other introduces himself as Captain Harold Standish. He has the absence of self-consciousness one might expect from a commercial traveller (actually he says that he is a guide), and he imposes himself on the sad and inhibited Barker. They have a drink together. They ask each other

about their service in the first world war, in which Barker had been a private for four years. Standish insists on giving the other man a meal, in a restaurant patronised by "the discerning few." It is a horrible restaurant and a horrible meal. "I knew you would like it," says Standish. The scene, pared to the limits of economy, mustn't be missed by anyone who wants to get the flavour of Bailey's humour.

Standish isn't what he seems. Impelled to make some inner compensation, which isn't explained until the last pages of the book, he takes on two other identities, both in disguise, one as a down and out living in missions, and the other as a poet delivering orations at Speakers' Corner. Old Soldiers is not a realistic story, though some of the detail is carefully judged in what appears to be realistic terms. In fact, the story is a stylised and laconic evocation of loneliness, grief, desolation. Both these old men are lost. As a rule this kind of stylisation isn't anywhere near as natural, and if I was deeply moved as I read it, that is pretty good evidence that so will others be. It is very witty on the surface, but underneath heartrendingly sad. Yet after the effect, as with most good art, is consolatory. Barker's grief for his wife carries the overtones of past joy in astonishingly few words. Bailey gives the essence of husband and wife together, decent, brave and trusting in their love.

Jim Harrison, who is nothing like such an elegant writer (though Bailey's elegance, genuine as it is, is one of the less important things about him), in the best of his stories also manages to convey powerful effects in a short space. Harrison is an American writer, not yet known here, who comes to us with praise from reputable critics. The title story, Legends of the Fall, is thick with violence. The number of persons killed runs into scores; the various manners of their killing are clinically described. But Harrison has the saving grace that he does understand what the violence means. He has derived a lot from Hemingway, but his most berserk character, Tristan, carries a more immediate conviction, at least to me, than any of Hemingway's fighting men ever did.



Paul Bailey's tale of two old men

Tristan, carries a more immediate conviction, at least to me, than any of Hemingway's fighting men ever did.

"Berserk" has just been used as a deliberate pointer, Harrison is in many ways a Romantic writer, as Hemingway was, and is often overblown. But at times, and at his best, he does suggest in this story an echo, and a true echo, of one of the starker Icelandic sagas. He doesn't write English as tightly as they wrote Icelandic, to judge from the translations. Nevertheless, he sometimes has a glimpse of their dark sense of fatality, and he certainly has a feel for a man's fighting honour, just as they had. It illuminates his scenes of violent action.

The first of his stories in this book, "Revenge," is destroyed by his faults, but the second, "The Man who gave up his Name," is interesting. It has a very high density of obscurities, both in speech and action. (Incidentally, when do well-to-do and educated Americans address their daughters so coarsely as they now do in fashionable novels? They must conceal it from old-fashioned English friends.) That apart, Harrison again in this story shows his insight into a kind of personality not often met in fiction—a successful businessman, non-verbal, close to the physical life, discontented with the limits of existence, a man of action who has outlived the time of action. The character strikes home with formidable truth.

More fiction

Exposing the raw places all round

BY ISABEL QUIGLY

The Silent Areas by Elaine Feinstein. Hutchinson, £5.95. 128 pages

A Durable Love by Christopher Aston. Macmillan, £5.95. 283 pages

Enemies by Richard Harris. Hutchinson, £5.95. 298 pages

Elaine Feinstein's stories graze people's lives without much explanation, so that sometimes you're puzzled about the mere mechanics of who's who, what's up. Her writing is often ferocious, peppering the page with staccato sentences, single words, exact flashes of observation and wit. The short story is used as it should be, not as a slice of something longer but as a form in itself, brief and satisfying in its brevity, compressed to a rock-like consistency yet with everything still there, the layers of the past, of previous events and feelings. So, into phrases go whole ways of life, and in them whole patterns of feeling, great tracts of the past are conjured. A man visits Tiflis and tries to find a girl he once knew; a child is visited by the father he loves and no longer lives with; an elderly couple are briefly reunited after living for years under the same roof without speaking to each other; a

brother visits the rich sister he hopes will give him money; behind them all an ancestral world opens up, memories grown round the present like strong ivy, impossible to disentangle from what's happening now, entering every crack, prising open every weakness.

Sometimes the macabre is added, with horrid effect: in "Hansel and Gretel" the two children are determined to believe the gentle old woman who takes them in a witch, in "The Grateful Dead" a pregnant woman believes her Polish char is trying to get a hold on the child. Place is used to powerful effect as well: the sinister fens, dross Cambridge in the drought of '76, the spiritual and emotional difference between the Midlands and the south of England. This is real writing, tight and true; cheering to find it making so much of a difficult genre.

A Durable Love is one of the oddest first novels I have come across, and whether it announces itself as an original, ironic take on a straightforward sentimentalist of some narrative power I'm unable to say. Certainly it's remarkably readable, especially when you consider its unremarkable style, which tends to the flat and functional. Across the Edwardian years, from 1901 to 1908, a schoolmistress called Alice amalgamates the two loves of her life, Imogen and Robert, with herself into "The

Trio," marrying Robert and forsaking Imogen's bed after a decade of happy times there but setting up house with both. The blurb says she lives "dangerously on the very edge of scandal," but the rum thing is she doesn't seem to realise it. Far from being bohemian or free-living (though they are subterfuges), Alice and Imogen live the most conventional of lives—between home (with parents), work (at school or with the women's movement), and church (high Anglican). Their lives are regulated in the most pious fashion by prayers, thoughts of God's will, devout discussion, almost daily services, confession and communion, ecclesiastical flower arranging and brass cleaning and clerical chats.

On a realistic level (at which, at least superficially, we are asked to take it), it's hard to believe that 70-80 years ago the passionate physical expression of love wouldn't have raised a few more eyebrows, if only those of the scrupulously staid lovers themselves. To treat such a relationship in the Christian context seems to be ignoring the Christian idea of sexuality. Is the whole thing a send-up, a tease? Are the piety and tears and sweetness all a jokey icing on a sharp and cynical little cake?

Or does it say, quietly and straightforwardly, that love is what counts and that it needs physical expression and, male or female or both, what does it matter? If so, it seems anachronistic to set it in that period and that particular context, when, though people were probably less prurient, more "innocent," about passionate friendships and bed-sharing than we are, closely-knit families with ever-present maids and holidays with noney landladies must have put a strain, to say the least, on lesbian living. Still, it's an interesting tale, oddly treated, suggesting a peculiar, s-delong glimmer for making the familiar odd, and vice versa.

Enemies is an intelligent thriller, a first novel by an American political journalist on the favourite, almost inevitable, subject of apocalyptic writers today—doomsday, atomic annihilation, or in this case its close threat. The hero is a journalist whose wife's death in horrible circumstances for which he feels to blame has sent him into alcoholic misery. Much of the time he's hardly conscious of what's happening.

All the same, he becomes involved in the discovery of something appalling and gets straight to the President with it. What happens I won't say; only that if you make expectation too high, and fulfillment too hard, there's likely to be a let-down. As there is here.

Still, it's a good piece of mainstream excitement, and a promising, not too ordinary debut in a conventional, crowded field.

In short - Rage

Archbishop Grindal. 1519-1583. The Struggle for a Reformed Church by Patrick Collinson. Cape, £15.50. 368 pages

Edmund Grindal (born on the Cumbrian coast in 1519) was not the most tactful of clerics. "Bear with me, Madam," he wrote, "if I choose rather to offend your earthly Majesty than to offend the heavenly majesty of God." Written to our Sovereign, the words might have seemed bold enough. But when addressed to Queen Elizabeth I they were certain to provoke a storm of royal rage. Particularly as Grindal, who had just become Archbishop of Canterbury, was proposing that the right of "prophesying" (i.e. preaching) should be exercised by all suitable ministers, an idea which to the Queen meant of Puritanism and was likely to lead to schism and disorder. She would not have it at any price.

Whereupon Grindal warned her, "Ye have done many things well; but except ye persevere to the end, ye cannot be blessed." This was no way to talk to Harry's daughter. The father had defied the Pope, the daughter would know how to deal with the Archbishop. Grindal was forbidden to enter his diocese. He spent the last years of his life in exile and died in Croydon. He was still Archbishop but only half forgiven. Soon it was being said that if his church policy had been followed, the troubles which led to the Civil War would have been avoided. Mr. Collinson in this scholarly book is deeply sympathetic to Grindal and his Protestant tendency but does not think that he was the last good bishop of the Anglican Church.

GEORGE MALCOLM THOMSON

A Nest of Teachers by Edward Blisben. Hamish Hamilton, £9.95. 186 pages

"Take geography, Argentine. Meat," said the form master handing over his charges to Edward Blisben on his first practice stint as a student teacher. Turning away the master added: "You'll find they can't read or write."

A Nest of Teachers abounds with anecdotes which pinpoint the schoolmaster's dread task for those who have never had the attempt. It is a feeling of universality in this account of the training of one sensitive, nervous recruit to the most important of all professions but a second attraction of the story is the way it captures the mood of a particular period.

Blisben was at a London emergency teacher training college in 1949. A mixed bunch of mainly ex-service chaps were given a year to learn everything about education from John Donne to making baskets to psychology. "Do you realise," said his fellow student, the egregious Bing, on a class trip to a Rubens and Velasquez

exhibition at the Tate, "that the Government is actually paying us for looking closely at this lion?"

The author and his colleagues were not fresh-faced schoolboys but mature men often married with families. His own courtship marriage, and the birth of his first son are described in counterpoint with his portraits of those who taught him at the college and of schools whose decrepitude and inadequacy sound all too familiar. In relating his emotions and attitudes he records the doubts he had as well as the facts he put in his diary. This honesty and the humour with which he looks back relate the book of the sentimentality which sometimes threatens as he recalls the good old days of austerity and idealism.

SARAH PRESTON

The Marriage of a Rebel by Jack Clemo. Gollancz, £6.95. 159 pages

This is the second prose work from the Cornish poet Jack Clemo, who has subtitled this book "a mystical-erotic quest." Like Browning, with whom Clemo feels he has a mystical link, he sees marriage as the best environment for Christian fulfilment.

Although he models himself on Browning, spiritually he seems to have more in common with C. S. Lewis, whose religious autobiography Surprised by Joy, is similar in structure to The Marriage of a Rebel.

Unlike many religious poets and writers, Jack Clemo does not seek inspiration from deprivation or depression. A true vision of the landscape, both mental or physical comes only through joy—the recollection of tranquil emotions rather than emotions of religious intensity. Whether this refusal to dwell on guilt and misery will cause the reader to underestimate his life long struggle to maintain his belief in his destiny to marry in spite of the encroaching handicaps of deafness and blindness is debatable. That he richly deserves his final happiness in his late marriage is undisputed.

VALERY MCCONNELL

Motoring in the 30s by Graham Robson. Patrick Stephens, £8.95. 216 pages

Too many motoring writers wear blinkers. They see the car themselves and nothing of the environment, social conditions and other factors which determined their design.

Graham Robson does not fall into this trap. He may take a middle-class, South of England view of the Depression and post-war years, but he shows how the decade saw the start of motoring for everyone. It should bring back memories for those who began driving in a 1930 Ford, a Flying Standard or a Morris Eight—whether they bought them new or picked them up secondhand 20 years or more after they rolled off the assembly line.

BRIAN AGER

Entertainer again

BY JOHN BOURNE

The Last Edwardian at No. 10 An Impression of Harold Macmillan by George Hutchinson. Quartet Books, £6.50. 151 pages

A silver-haired Harold Macmillan, in his favourite seat at Buck's Club, said sagely nine months before the 1970 General Election: "My estimate is that it will be a very close run thing—20 seats either way."

How right he was. Then, digressing in his deliberately unimpassioned way, which had rightly won him the accolade of the "old entertainer," he delighted his audience of three with a series of obita dicta and anecdotes.

"The most successful way of running a national economy is the Soviet way (pause), provided you are prepared to pay the price."

"I remember a dinner of one of Winston Churchill's first post-war Cabinets at Chequers after which the old man began on one of his interminable favourite themes—the evils of Herr Hitler. As I bade him goodnight—I had an important Commons statement to make the next day—I paused at the door and said: 'Remember, Prime Minister, had it not been for the birth of Adolf you would not be where you are now.'"

Mr. Hutchinson, who was later head of the Conservative Party's information and publicity services under Mr. Macmillan when Prime Minister, sets out in this brief book to give an impression of the old entertainer's essential goals: character, temperament, philosophy, the flavour of his

conversation and the geniality of his company.

The opening quotations from Mr. Macmillan in this review are not recorded in the book, but there are others which accurately reflect the flavour of his conversation: "Keynes was an economist by mistake; he was a humanist, a classical scholar. He wasn't like the modern economists. Of course we used to call it political economy. Political economy—Adam Smith—was about claps, about people."

"Of the then six states in the European Economic Community, France was paramount among the nationalists. The federalists were those without a true national history—Belgium, Italy and Germany. The Belgians haven't got a national history. Neither have the Italians—they're Romans or they're Tuscans or what not. The Germans haven't really got a national history. Of course parts of Germany have but not all Germany." Mr. Macmillan then, in the author's words "turned to other topics."

Mr. Macmillan overestimated the importance of Keynesian economics. But on the Common Market he underestimated the power of French nationalism, which was responsible for the vote of General de Gaulle on the application of the Macmillan Government to join the Common Market.

On this and many other matters Mr. Hutchinson sheds light: including Mr. Macmillan's lasting belief in an outward-looking Common Market, and in Britain's "American Connection."

But it is the intimate glimpses of "Supermac's" con-



Harold Macmillan as a schoolboy

versations and his way of looking—or seeming—to look—at people and politics which really make the book worth reading. See the sections on Disraeli, and the young Harold's radical views which at one time made Mr. Attlee believe that he was ripe for joining the Labour Party.

The old Edwardianism still exists, Mr. Hutchinson records that in January, 1979 his hero unveiled a sculpture of Mrs. Margaret Thatcher at the Carlton Club. "Macmillan was at his courtliest. Gazing round the drawing room of the club, he remarked on the number of portraits of past statesmen. 'I wonder what they would make of this performance,' he said. 'I know one who would have welcomed it—Disraeli, who disliked the company of men and liked the company of women. He then wished Mrs. Thatcher with all his heart the best of luck in the next General Election. How perceptive he was.'"

Crimes and athletes

BY WILLIAM WEAVER

I Saw Him Die by June Drummond. Gollancz, £4.50. 180 pages

Fred Messina, narrator of the story, is an insurance claims investigator. After witnessing a particularly cold murder, he finds himself trying to find the killer. His quest is successful, but it is not the most interesting feature of this book. The European reader will surely be fascinated by the author's indirect, but broad picture of South African society, with its customs, laws, restrictions, and strata. A terse, compelling performance.

Moscow 5000 by David Grant. Michael Joseph, £5.95. 447 pages

For the 1980 Olympics, to be held in Moscow, an international group of terrorists plans a

sensational coup. But, before coming to that, David Grant introduces the cast of characters, in various parts of the world and with various, complex personal and political contexts. These introductions are confusing and, at least to this reviewer, uninteresting. He abandoned the course at about the halfway mark. The book is large—scaled, pretentious, obviously aimed at world-wide best-sellerdom, and WWBS being what it is, the book may even achieve its aim.

Pol and the Faceless Corpse by Mark Hebdén. Hamish Hamilton, £5.95. 187 pages

Evarest Pol, Mr. Hebdén's inspector hero, lives in the heart of Burgundy, with a bad digestion, acute hypochondria, and a slatternly housekeeper, addicted to TV. Not the sort of situation

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'The best single thing that le Carré has yet done'

C.P. Snow in the Financial Times

"For its energy, compassion, rich and overwhelming sweep of character and action *The Honourable Schoolboy* was simply one of the finest English novels of the Seventies. Ironic, mournful and introspective, *Smiley's People* complements it beautifully."

Michael Ratcliffe in The Times

"A marvellous book, stylishly written, intricate, absorbing... le Carré is a very gifted author indeed."

A. Alvarez in The Observer

"Intensely gripping... the plot is finely worked and maintains suspense and uncertainty until the very end."

Tim Heald in Now! Magazine

"A hugely ingenious and satisfying tale... the sharp skill is here, the tangy detail in set-pieces, the slow unravelling."

John Coleman in The Sunday Times

"*Smiley's People* tells anybody who reads spy-fiction what most of them already know: that there is le Carré and there are his imitators."

Allan Prior in the Daily Mail

"Probably le Carré's best novel... the book homes towards its climax with more tension than anything else he has written."

Melvyn Bragg in the Evening Standard

LE CARRÉ

Smiley's People

Hodder & Stoughton £5.95

RAVE REVIEWS FOR SMILEY

The Association of
Investment Trust Companies

INVESTMENT TRUST REVIEW

An improved service for Financial Times readers

by John R. Storar, Chairman, The Association of Investment Trust Companies

Regular readers of the Financial Times are aware that once a month The Association of Investment Trust Companies (AITC) publishes in this newspaper a table of statistics on behalf of its members. This table has appeared in more or less the same form, giving the same information, over the last decade. And while its contents have continued to be variously studied, filed or merely noted by a broad cross-section of FT readers from professional investors and advisers to the private individual—it was generally felt by members of the Investment Trust industry that the time had come to make a break with the old format.

We felt that there was a need to produce, for existing and potential investors in Investment Trusts, better, more up-to-date and more relevant statistics. The purpose of the next few paragraphs is to explain briefly the new statistics in the revised Investment Trust Table and to outline why we have chosen to make these particular changes.

Few people outside our industry and certain sections of the financial community have appreciated fully the constraints—mainly of a legislative nature—under which Investment Trusts have had to work. Without wishing to dwell on what is now in the past, today we have the opportunity for the first

time since the second world war to operate free from most of the irksome restrictions which were imposed on our investment managers. In particular, the total abolition of exchange controls is welcomed by the Investment Trust industry, which has always been in the forefront of overseas portfolio investment.

Improved circumstances

Against this background and in the light of increasing public comment on the future of the industry—not all of it constructive—the timing of our changes seems appropriate and the new Table and the new AITC booklet "Investment Trusts today" (advertised on this page and free on request) are symptomatic of the improved circumstances in which we find ourselves and of the more progressive outlook developing within our industry as we move into the "eighties."

There are, of course, other important influences which cannot be ignored, such as the general trend in the corporate sector towards greater disclosure and better communication. Individual Investment Trusts are, to varying degrees, playing their part, as can be seen in the improved presentation and content of an increasing number of annual reports and accounts coming from the sector. In this context, the new monthly Table and the booklet are

intended both to present regularly reliable information not otherwise available and to increase awareness of what our members have to offer.

Given the limitations on space, the inclusion of new statistics has meant that certain of the old ones have had to be dropped to make way for the new generation. Naturally, opinions have differed, but it is hoped that the new Table will be regarded as an improvement with a view to providing better and more relevant information on which to assess the merits of individual Investment Trusts.

Our new format

Those readers familiar with the old format will realize that we have omitted from the new Table the columns showing the class of share or stock, the date of valuation, the annual dividend and one of the net asset values. In their place the Table has gained: Share Price, Yield, Geographical Spread and Total Return. In addition, by the use of simulation, the figures of total assets and net asset value are now shown as at close of business on the Monday preceding publication of the Table.

Readers will no doubt be quick to point out that the share price and yield of most of the companies appear daily in

the Share Price Information section in the Financial Times. However, on the days when our statistics are published each month, these figures will not coincide with those in columns (3) and (4) of our Table which will be recorded as at a specific date a few days earlier. This time lag is necessary to allow for calculation of the other statistics.

To save space, and also to avoid confusion, we have decided to omit the net asset value as calculated with prior charges deducted at nominal value. There are two schools of thought on this; but, as we explain in the explanatory note accompanying the Table, "The net asset value is calculated on the 'going concern' basis, i.e., with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes."

Geographical spread

Given the wide geographical diversity between many Trust portfolios, and the likelihood, following the removal of exchange controls, of more actively traded overseas holdings—it makes sense that we should introduce columns (6) to (9) which indicate the differing investment policies of the individual Investment Trusts.

Finally, we have introduced in column (10) a Total Return on Net Asset Value over a running five-year period. I would again refer you to the Explanatory Notes section at the foot of the Table for a fuller explanation but the primary purpose of this statistic is to give the reader a guide as to how the underlying portfolio of any of the Investment Trusts has performed.

Rate of return

The method by which the total return statistics are calculated is somewhat complicated, but, briefly, the five-year period is subdivided into shorter periods over which the fluctuations in net asset value, adjusted for net revenue, are recorded. The rates of return shown in these sub-periods are then linked together to give an overall rate of return for the whole five years.

It is essential that readers using total return statistics to make comparisons between Investment Trusts take into account the geographical compositions of the portfolios and the performances of the relevant local stock-markets and currencies.

It is unusual for all of the world's stock-markets to behave in the same way at the same time and variations between the performances of individual invest-

ment Trusts may often be explained by the geographical areas in which their portfolios are invested.

This situation is further complicated by the volatility of currency exchange rates; for example, an investment manager may invest in a foreign security which performs excellently in terms of its local share price, only to see the benefit to his portfolio reduced in sterling terms by virtue of the foreign currency concerned having depreciated against sterling—or vice-versa.

The behaviour of one stock-market in relation to another varies continuously and, if only for this reason, past performance of an investment portfolio concentrated in certain geographical areas does not necessarily forecast the same performance of that portfolio in the future.

Readers seeking more information on the subject of total return calculations will find a full explanation, plus examples, in either "Investment Trusts today" (in the "Useful Statistics" data sheet at the back of the booklet) or in the Investment Trust Year Book.

In summary, it is our aim in making these changes to improve the extent and quality of information, in order to provide present and future investors with better means of assessing the individual characteristics and merits of Investment Trusts.

The figures in the columns below are based on information supplied by the companies named, which are members of the Association of Investment Trust Companies. The figures are audited.

THE INVESTMENT TRUST TABLE

as at close of business on Monday 18th February 1980					Geographical Spread at 31st January 1980					Total Return on N.A.V. over 5 years to 31.1.80 base = 100		as at close of business on Monday 18th February 1980					Geographical Spread at 31st January 1980					Total Return on N.A.V. over 5 years to 31.1.80 base = 100	
Total Assets less current liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	(10)	Total Assets less current liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	(10)				
VALUATION MONTHLY																							
152	Alliance Trust	314	5.7%	292	69	21	3	7	188	11	Martin Currie & Co. CA	114	6.0	163	71	26	1	2	204				
128	British Invest. Trust	149	5.0%	197	76	19	4	1	+	20	Canadian & Foreign Invest. Trust	132	6.0	171	72	21	3	4	196				
13	Grange Trust	90	5.1	123	75	21	1	3	222	24	St. Andrew Trust	67	6.1%	+	+	+	+	+	182				
74	Great Northern Invest. Trust	109	7.1%	149	81	8	1	10	225	57	Scottish Eastern Invest. Trust	68	5.9	87	61	30	4	5	185				
83	Investors Capital Trust	88	4.3%	118	53	33	7	7	209	48	Scottish Ontario Invest. Co.	91	6.8	129	68	24	5	3	200				
17	Jardine Japan Invest. Trust	100	1.5	108	18	—	77	5	118	70	Securities Trust of Scotland	50	4.1	74	45	34	7	14	196				
136	Save & Prosper Linked Invest. Trust	105	5.3	169	100	—	—	—	330	17	Murray Johnstone Ltd.	93	4.5	69	43	36	8	13	212				
68	Scottish Invest. Trust	83	5.0	143	68	28	4	10	202	76	Murray Clydesdale Invest. Trust	75	4.5	107	52	34	8	6	229				
122	Scottish Northern Invest. Trust	66	4.7	91	40	37	5	18	219	26	Murray Glendevon Invest. Trust	55	4.0	81	43	35	7	15	200				
50	Scottish United Investors	183	5.8%	251	69	21	2	8	187	79	Murray Minor Invest. Trust	60	5.0	88	46	35	7	12	202				
88	Second Alliance Trust	135	10.3	155	100	—	—	—	245	23	Murray Northern Invest. Trust	138	5.8%	204	61	30	5	4	213				
118	Shires Investment Co.	135	10.3	155	100	—	—	—	245	8	Murray Western Invest. Co.	96	4.9	135	32	9	1	58	153				
10	United States Debenture Corp.	93	6.2%	126	71	28	—	1	188	31	Broadstone Invest. Trust	157	5.8%	219	57	34	4	5	219				
46	Baillie Gifford & Co.	116	5.3	160	50	32	2	16	197	58	Continental & Industrial Trust	225	4.9%	314	68	30	5	2	234				
40	Scottish Mortgage & Trust	52	6.1	74	50	31	3	16	206	31	Trans-Oceanic Trust	182	4.9%	252	54	36	5	5	213				
28	Monks Invest. Trust	227	4.7	318	47	34	3	16	220	14	Westport Invest. Trust	106	5.4%	151	59	31	5	5	212				
46	Waterbottom Trust	67	4.3	86	69	15	1	15	232	80	Stewart Fund Managers Ltd.	102	4.9	131	55	33	1	11	252				
28	Baring Bros & Co. Ltd.	73	4.0%	103	51	22	3	24	189	9	Scottish American Invest. Co.	40	5.9	92	7	—	—	93	126				
4	Cornwall Invest. Trust	176	3.8	+	+	+	+	+	+	111	Scottish European Invest. Co.	68	4.7	96	79	15	3	3	252				
48	City Financial Administration Ltd.	101	6.3	140	81	18	—	1	+	35	Touche Remnant & Co.	61	7.1	87	80	13	1	6	201				
11	"Investing in Success" Equities	144	2.5	163	+	+	100	+	+	17	Atlas Electric & General Trust	74	5.4	111	70	21	—	19	206				
15	East of Scotland Invest. Managers	93	6.9	132	71	20	4	1	250	34	Bankers' Invest. Trust	73	7.8	100	82	10	3	5	203				
9	Aberdeen Trust	288	7.5	406	74	14	1	11	260	47	CLRP Invest. Trust	70	7.2	95	96	19	2	9	216				
82	Edinburgh Fund Managers Ltd.	135	6.7%	162	75	16	—	9	+	31	Cedar Invest. Trust	121	5.3	174	70	19	2	9	243				
328	Amalgamated Invest. Trust	136	6.6%	178	71	19	1	9	+	42	City of London Brewery & Inv. Trust	66	4.9	87	75	14	2	9	197				
7	Globe Invest. Trust	111	8.5%	+	+	+	+	+	+	57	Continental Union Trust	77	5.5	112	81	13	4	2	229				
26	Temple Bar Invest. Trust	124	5.0%	171	65	13	8	14	243	40	Industrial & General Trust	120	5.1	174	73	19	2	6	229				
4	F & C Group	112	4.8	+	+	+	+	+	126	77	International Invest. Trust	63	5.2	86	77	17	1	5	226				
6	Alliance Invest. Co.	54	4.2	63	33	2	+	+	+	10	Sphere Invest. Trust	57	5.7	90	81	9	1	9	247				
1	Foreign & Colonial Invest. Trust	91	4.1	+	+	+	+	+	+	3	Trust Union	80	3.8	98	104	10	—	56	135				
2	General Investors & Trustees	132	4.2%	+	+	+	+	+	+	2	Williams & Glyn's Bank Ltd.	59	2.1	67	77	77	—	—	206				
2	James Finlay Invest. Management Ltd.	31	8.3	37	95	—	—	5	+	3	Sigwell European Invest. Trust	71	2.8	84	122	78	—	—	212				
22	Provincial Cities Trust	91	2.0	115	37	18	9	36	311	+	West Coast & Texas Regional	28	4.4	50	80	13	1	6	182				
18	GT Management Ltd.	173	5.0	181	2	2	58	38	254	+	Carlin/Tyneside Group	155	4.3	+	+	+	+	+	+				
9	CT Japan Invest. Trust	146	3.9	223	50	13	6	31	250	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
8	Northern Securities Trust	206	0.4	325	94	—	—	6	+	+	VALUATION THREE-MONTHLY	28	4.4	50	80	13	1	6	182				
26	Gartmore Invest. Ltd.	50	0.5	12	66	—	—	10	218	+	Cambridge Invest. Trust	155	4.3	+	+	+	+	+	+				
28	Alkfund Ltd.	90	5.0	134	59	22	1	18	221	+	Carlin/Tyneside Group	146	4.5	+	+	+	+	+	+				
28	Anglo-Scottish Invest. Trust	73	4.7	108	54	35	3	8	306	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
6	English & Scottish Investors	80	1.3	110	48	19	1	33	192	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
20	Group Investors	61	4.9	83	56	31	—	13	255	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
16	London & Garton Invest. Trust	80	5.9	117	75	19	—	6	244	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
10	London & Lennox Invest. Trust	56	5.8%	76	95	16	—	5	276	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
13	London & Lombard Invest. Trust	164	4.0%	229	62	21	2	15	223	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
13	London & Scarthcliffe Trust	116	4.3%	168	57	25	—	18	226	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
15	Melham Invest. Trust	64	4.9%	90	65	19	8	9	217	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
80	Gartmore Invest. (Scotland) Ltd.	121	3.4%	185	56	29	6	8	224	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
31	Scottish National Trust	102	4.3%	144	65	18	8	9	218	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
92	Glasgow Stockholders Trust	103	4.2%	145	52	37	8	3	215	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
14	John Givett & Co. Ltd.	206	5.2%	303	71	23	1	5	281	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
19	Borden & Southern Stockholders Trust	89	7.0	115	99	28	—	4	302	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
69	General Stockholders Invest. Trust	122	6.3	179	168	28	—	4	241	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
26	Lake View Invest. Trust	96	4.8%	137	61	24	11	4	197	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
5	Stockholders Invest. Trust	91	—	+	+	+	+	+	+	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
52	Hambro Group	84	3.5	120	66	22	7	5	172	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
7	Bishopsgate Trust	107	2.7	148	54	20	9	17	237	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
126	City of Oxford Invest. Trust	63	7.3	82	92	—	—	8	266	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
5	Hambro Invest. Trust	133	6.1	154	77	16	2	6	245	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
52	xRosediamond Invest. Trust	127	6.7	175	70	17	—	5	281	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
7	Henderson Administration Ltd.	94	7.8%	129	75	17	—	5	261	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
126	Wilton Investment Co.	86	4.8%	137	61	24	11	4	197	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
28	Electric & General Invest. Co.	84	3.5	120	66	22	7	5	172	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
23	Greenfinch Invest. Co.	107	2.7	148	54	20	9	17	237	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
6	Lowland Invest. Co.	63	7.3	82	92	—	—	8	266	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
22	Philip Hill (Management) Ltd.	133	6.1	154	77	16	2	6	245	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
7	City & International Trust	187	6.9	213	75	17	—	5	281	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
25	General & Commercial Invest. Trust	78	7.8%	129	75	17	—	5	261	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
126	General Consolidated Invest. Trust	96	7.1	128	79	16	—	5	256	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
133	Philip Hill Invest. Trust	126	6.8	134	93	5	—	2	347	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
6	Morgan Invest. Co.	72	7.1	96	71	24	1	4	201	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
28	Nineteen Twenty-Eight Invest. Trust	89	6.2	107	88	8	—	4	+	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
12	Industrial & Commercial Fin. Corp.	112	4.5	117	98	2	—	—	+	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
8	London Atlantic Invest. Trust	82	6.7	175	70	17	—	5	281	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
1	North British Canadian Invest. Co.	95	—	+	+	+	+	+	+	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
2	Investment Trust Services Ltd.	132	6.2	+	73	15	4	8	+	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
13	Capital & National Trust	101	7.6%	134	88	1	—	—	282	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
13	Cloverhouse Invest. Trust	86	5.2%	123	82	10	4	4	234	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
38	Crossfries Invest. Trust	161	5.6%	187	70	17	4	9	230	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
64	Guardian Invest. Trust	117	5.7	271	66	21	5	8	217	+	Carlin/Tyneside Invest. Trust	146	4.5	+	+	+	+	+	+				
34	London & Holyrood Trust	111																					

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FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

BRITISH FUNDS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

AMERICANS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

BANKS & HP—Continued

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

CHEMICALS, PLASTICS—Cont.

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

ENGINEERING—Continued

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

DRAPERY AND STORES

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

BEERS, WINES AND SPIRITS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

BUILDING INDUSTRY, TIMBER AND ROADS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

CANADIANS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

BANKS AND HIRE PURCHASE

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

ELECTRICALS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

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CHEMICALS, PLASTICS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

ENGINEERING MACHINE TOOLS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

FOOD, GROCERIES, ETC.

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

HOTELS AND CATERERS

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

INDUSTRIALS (Miscel)

1979-80	Stock	Price	Yield	Div	Yield
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80
1979-80	1979-80	1979-80	1979-80	1979-80	1979-80

For Really Discerning Drinkers

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Cruising means



MAN OF THE WEEK

A lost leader returns

BY W. L. LUETKENS

MACHIAVELLIAN machinator and political zombie: both charges were bandied about against Mr. Pierre Trudeau during the election campaign which restored him as Canadian Prime Minister.

Neither stands up. It is too bland to assume that he deliberately threw the Liberals into confusion last November by announcing his wish to resign the party leadership and then brought down the Clark Government to force a disenchanted party to keep him "en route de mission". It is naive to believe that Trudeau even after suffering a number of blows—the return of a near separatist government in Quebec, the break up of his marriage and the economic troubles of the late nineteen-seventies—allowed himself to be told by others to go through the motions of a political campaign allowing Mr. Joe Clark to defeat himself.



Pierre Trudeau

Mr. Trudeau's reasons were probably the obvious ones. He genuinely wanted more time for his children. Not even his many enemies doubt that. But he also must have hated being beaten last May. He must still believe that he has a contribution to make towards maintaining the unity of a country where a 20 per cent minority of French-speakers feels repressed in a sea of English-speaking North Americans.

In any case, Mr. Trudeau makes a virtue of the ability to change his mind. The classic case is the wage and price controls imposed in 1975 one year after he had handily won his third election on an anti controls platform. "There are no final solutions" he has written "any more than there are perfect solutions." And again the only constant factor to be found in my thinking over the years has been opposition to accepted opinion.

There he may have been wrong about himself. Throughout his career he has opposed Quebec nationalism if it threatened Canadian unity. But that together with his contempt for formal consistency and you may understand how the son of a wealthy Montreal family—the father French, the mother English—could begin his career as a self-styled social democrat fighting a hidebound provincial regime and could then enter Parliament in 1967 as a member of the Liberal Party, the party of the Canadian establishment. You may understand why the trendy young man, Prime Minister since 1968, became the apostle of law and order when he suppressed a rash of terrorism in Quebec in 1971 and the exponent of fierce deflationary policy about the same time.

His conservative streak surprised many who had been dazzled or put off by a public figure found sliding down banisters in public and occasionally mouthing obscene words—and who as recently as last year at the age of 59 was seen dancing in New York when he was supposed to be making a political speech in western Canada.

The opinions of others never seem to bother him much. His patent occasional arrogance has driven several leading Liberal ministers into private life. That could create problems now.

Mr. Trudeau has said that he abandoned Quebec socialism when it turned into nationalism. The only kind of nationalism he will stand for is the Canadian brand. No wonder his arch opponent Mr. Rene Levesque, head of the Parti Quebecois Government in Quebec says he is looking forward to a battle royal.

If Mr. Trudeau ever deserved the title of philosopher king bestowed upon him in his prime the time to prove it has come. Personality he has little to lose with a safe majority and the intention not to fight another election.

Brezhnev rejects U.S. call for Afghan withdrawal

BY DAVID SATTER IN MOSCOW

MR. LEONID BREZHNEV, the Soviet president, yesterday rejected President Carter's call for the withdrawal of Soviet troops from Afghanistan. He indicated they would remain until "the tribal rebellion" against Soviet-backed rule was over.

Mr. Brezhnev's statement came as the Afghan Government imposed martial law in the capital, Kabul, following outbreaks of arson and rioting which the Afghan Interior Ministry blamed on "agents and British, American, Pakistani and Chinese henchmen."

Speaking to voters in the elections to the Supreme Soviet, the Republic's nominal parliament, Mr. Brezhnev said the Soviet Union had acted only in response to a request

by the legislative government of Afghanistan. He accused the U.S. of deliberately frustrating an early Soviet withdrawal by continuing and intensifying its "interference" in Afghanistan's affairs from Pakistani territory, in co-operation with China.

Mr. Brezhnev said it would be possible to withdraw the Soviet forces from Afghanistan when "the reasons that caused their presence there disappear." But he warned that Soviet military strength was "tremendous," and that the Soviet Union and its allies would be able to "stand up for ourselves and rebuff any hostile sallies."

The U.S., he said, was circulating lies about a war between the Russians and the Afghan people and about a Soviet threat to Iran

and Pakistan; Washington needed a pretext to broaden its expansion in Asia and it created this pretext by any means.

Mr. Brezhnev said the anti-Soviet campaign was necessary for anyone hoping to win the American presidential election, but its main purpose was to support Washington's decision to create a network of military bases in the Indian Ocean and to subordinate countries in the Near and Middle East to its hegemony.

The American desire to ensure the security of its oil routes might be understandable to some extent, Mr. Brezhnev said. But this could not be achieved by turning the area into a powder keg.

If the U.S. and Afghanistan's neighbours guaranteed an end

to all outside interference, the need for Soviet military assistance would cease to exist, Mr. Brezhnev said. The Soviet authorities, however, have always described the Afghan rebellion as "outside interference."

Reuter reports from New Delhi: The riots and arson which broke out in Kabul yesterday, coupled with the imposition of martial law and a curfew, followed the closure of most shops in the city on Thursday as part of a protest strike called by the rebels.

The Press Trust of India news agency said that three people were killed in a demonstration in the centre of Kabul—the first against the Government since the Soviet forces moved into Afghanistan in December.

Hambros bid for Fairey

BY REG VAUGHAN

THE NATIONAL Enterprise Board yesterday received a \$19.5m cash offer from Hambros merchant bank for Fairey Holdings, the engineering company set up after the Fairey Group went into receivership in 1977.

Hambros said the initial response from the NEB was "guarded." The NEB said it was considering the offer "together with the other options available" and will take into account Fairey's results and long term prospects.

Fairey Holdings' interests cover military engineering, hydraulics, filtration machinery, nuclear work and patrol boats.

The NEB has been having discussions with several other parties over recent months. Hambros' offer is conditional on the NEB not starting negotiations with another company.

Morgan Grenfell, which is advising the NEB, said yesterday that talks about Fairey were going on at the moment with several possible bidders and some were at an "advanced stage."

Hambros said it was committed to supporting Fairey as

an independent group. If the offer is accepted, it would place most of the shares with about 20 institutions, retaining an interest of some 10 per cent.

"The NEB is not under pressure to come to any quick decision on this offer having recently been told by the Government that it no longer has to sell \$100m assets by the end of next month."

Hambros, which believes it will have the full support of Fairey in its move, would plan to seek a fully fledged Stock Exchange quotation for Fairey in about two years. Hambros and the NEB considered selling Fairey shares to the public about a year ago, but judged the plan impracticable because of market conditions.

Mr. Angus Murray, who took over as chairman of Fairey two years ago, has a long standing relationship with Hambros through his non-executive directorship of Hambros Industrial Management. But both Mr. Murray and Hambros stressed last night that this connection had nothing to do with the bid.

Hambros said that "it was an independent third party."

Mr. Murray said: "The NEB started the job of rebuilding Fairey and if it is either unable or unwilling to carry on the job he would welcome someone who can take the job on for them."

Mr. Murray, who said he became aware of Hambros' intention to mount a bid for Fairey earlier this week, is known to prefer a single bidder for Fairey so it could be kept together as a diverse engineering group.

Since last July the NEB has had some 10 or 11 approaches about parts of Fairey but Hambros was the first firm offer.

Parties that are thought to have been interested in Fairey include Trafalgar House, which was outbid by the NEB in December 1977, Vickers, Dowry Group, and at least two companies from overseas.

The group showed a group pre-tax profit of \$5.2m in 1978 and as regards 1979 Mr. Murray would say only that the group had "managed to get through the engineering strike with less damage than some other companies."

Peugeot profits drop 15%

BY TERRY DODSWORTH IN PARIS

THE HEAVY costs of taking on the loss-making former Chrysler Europe organisation helped cause a 15 per cent fall in the consolidated profits of the PSA Peugeot-Citroen group, France's largest motor company, last year.

According to preliminary figures from Peugeot-Citroen, losses of the three ex-Chrysler companies, now renamed Talbot, amounted to FF 580m (\$82m).

The Talbot deficit, Peugeot-Citroen said, reflected the cost of absorbing higher stocks at the beginning of last year when production eventually had to be cut, the expense of launching the new Talbot name, and a fall in the company's market share in the latter part of the year.

The figures make it clear that Talbot lost sales rapidly in 1978. Talbot output dropped by 21.5 per cent, from 816,000 vehicles in 1978 to 641,000. And sales also slipped in all the company's main manufacturing zones, falling

to £1.05bn in France (2.5 per cent down), £526m (17 per cent down) in the UK, and £330m (5.5 per cent down) in Spain.

Overall, Peugeot-Citroen's turnover, including Talbot for the first time, rose by a modest 10 per cent to FF 73bn (£7.8bn), a markedly more modest rate of growth than that recorded by Renault, the group's state-owned competitor in France.

Group consolidated profits have yet to be detailed, but with the Talbot losses, the net consolidated profit is estimated to have slipped to about FF 1.1bn, compared with FF 1.288bn in 1978.

The French company's acquisition of the Chrysler interests in Europe is now seen as falling into a wider strategy of development in the U.S. alongside Chrysler Corporation with which it is planning joint design and production projects.

But the figures make it clear that, if it had not had to bear the cost of bailing out Talbot, Peugeot-Citroen would have registered a buoyant performance in 1979.

Group vehicle production, which fell by almost 7 per cent, from 2.5m to 2.3m units, would have been slightly up without the savage production cut at Talbot.

And results in the two other divisions also improved strongly. Peugeot's sales went up by 16 per cent to FF 24.7bn, which should lead, the company forecasts, to a profits increase of about 20 per cent. Citroen lifted sales by 14 per cent to FF 18bn.

Citroen's profits are not expected to be in proportion to its increased sales but this should be made up to some extent by the improved performance of the mechanical and services division.

Continued from Page 1

Prime rate soars

acceleration from last year's 13.3 per cent annual rate thus throws a growing burden on Government finances.

There are growing fears, too, about the impact of these inflation figures on wage demands. Hourly wages last year in industry rose by under 10 per cent.

As one bank economist put it yesterday: "How long will the U.S. workforce be so restrained?"

There is increasing anxiety about the impact of the recent unprecedented rise in interest rates on the corporate sector.

Housing has already been badly hit by increases in interest rates which have begun to choke off the supply of mortgage credit and undermine profitability of some of the major savings institutions, 70 per cent of whose loans are at fixed rates of under 10 per cent at a time when new deposits cost them up to 13 per cent.

The increase in the prime rate is an indication of the growing challenge facing the corporate sector as it seeks to finance itself, against the background of the worst collapse in the U.S. bond market in modern financial history.

Two principal factors were cited by bankers yesterday to explain the rise in the bank prime rate.

One was last week's increase in the Federal Reserve Board's

discount rate from 12 to 13 per cent, which has increased the bank's own financing costs.

Three-month certificate of deposit rates have risen to 15 1/2 per cent from just over 14 per cent a week ago, and money market traders said they detected signs that the Federal Reserve was moving to tighten money market conditions further.

In addition the banks are experiencing a surge in demands for credit, and are worried that they could face even heavier credit demands because of demoralisation of the bond markets.

Since the Federal Reserve Board's anti-inflation package of October last year, bond prices have fallen in the corporate sector by about 25 per cent.

Steel talks Continued from Page 1

of the Industrial Society in London—that the strike could go on a little bit longer.

"We purposely didn't break with them because if we had then we would have no where else to go," he said.

But there could be a settlement only if the corporation was prepared to be "more flexible," and the point had not yet been reached where formal negotiation could resume.

According to Mr. Scholey the two main sticking points apart from cash are the unions' refusal to agree to all-union productivity monitoring at national level—although they have agreed to it at local level—and to accept that the guaranteed minimum payment for productivity would cease if local deals were not signed.

Sir Keith Joseph, Industry

Secretary, yesterday said that the Government's attitude towards the steel strike was "totally unchanged." He said there was no chance of part of the £450m intended for redundancy payments, investment and working capital being used to finance an increased pay offer.

Richard Evans, Lobby Editor, writes: As Sir Keith Joseph made plain, Ministers are continuing to rule out any prospect of relaxing the Government's cash limits or of using part of the redundancy fund to end the steel strike.

But there were further signs yesterday of differing attitudes in the Cabinet over the way the Government has responded to the challenge presented by trade union picketing during the strike.

Record OPEC deposits

By Peter Montagnon

OPEC countries deposited a record amount of money with international banks between July and September last year as their combined current account surplus began to swell under the impact of higher oil prices.

The Bank for International Settlements' latest review of international bank activity puts total new OPEC deposits in the third quarter at \$19.6bn (£3.6bn) compared with a much smaller \$4.8bn (£1.1bn) in the first half of the year.

The bank said that, while most of the money was deposited with banks outside the U.S., the bulk of it remained in dollars. This shows that oil-producers generally were not significantly diversifying their reserves out of the U.S. currency between July and September, although the bank noted the same could not be said for other countries.

It said the net increase in bank deposits outside the U.S. by monetary authorities amounted to \$15.6bn (£3.6bn) during the third quarter. Of this, about half was deposited in currencies other than the dollar.

There is a growing trend for the mark to be used as a reserve medium, although the bank qualified its figures by noting that about \$1.5bn of the increase in non-dollar holdings was accounted for by currency movements.

Overall, the report showed that international banking activity in the Group of Ten largest countries together with Austria, Denmark, Ireland, Switzerland and offshore branches of U.S. banks expanded very rapidly.

International Company News, Page 19

Weather

UK TODAY
MOST parts dry with bright spells.

S. E. England
Dry after rain at first. Max. 8C (46F).

Rest of England, Wales
Fog at first. Sunny periods later. Max. 10C (50F).

Lake District, S. Scotland
Bright periods. Cloudy later. Max. 9C (48F).

N. Scotland, N. Ireland, Orkney, Shetland
Dry. Possible rain later. Max. 8C (46F).

Outlook: Dry, sunny periods. Some fog at first.

WORLDWIDE

	Y'day	Today	Y'day	Today
Algeria	15	18	15	18
Argentina	17	18	17	18
Australia	10	10	10	10
Athens	8	10	8	10
Bahamas	15	18	15	18
Bahia	15	18	15	18
Belfast	7	10	7	10
Belgrade	8	10	8	10
Bombay	13	16	13	16
Buenos Aires	13	16	13	16
Calcutta	13	16	13	16
Cardiff	8	10	8	10
Casablanca	15	18	15	18
Chennai	15	18	15	18
Cebu	15	18	15	18
Dhaka	15	18	15	18
Dublin	15	18	15	18
Edinburgh	15	18	15	18
Geneva	15	18	15	18
Hong Kong	15	18	15	18
London	15	18	15	18
Los Angeles	15	18	15	18
Madras	15	18	15	18
Manila	15	18	15	18
Mexico City	15	18	15	18
Moscow	15	18	15	18
Mumbai	15	18	15	18
Nairobi	15	18	15	18
Paris	15	18	15	18
Rangoon	15	18	15	18
Reykjavik	15	18	15	18
Rome	15	18	15	18
Singapore	15	18	15	18
Sofia	15	18	15	18
Taipei	15	18	15	18
Tel Aviv	15	18	15	18
Tokyo	15	18	15	18
Ulaanbaatar	15	18	15	18
Yokohama	15	18	15	18

Cloudy. Fair. Fog. Rain. Sunny. Storm. Snow.

THE LEX COLUMN

Base rate boost for Lloyds

The Lloyds Bank results put some life back into the banking sector yesterday afternoon when pre-tax profits turned out to be £276.6m rather than the £260m or so projected by many analysts. Lloyds' share price put on 12p to 310p where the yield, after a dividend rise of a third, is 6.7 per cent.

Sure enough, growth of profits has slowed after the freak 60 per cent jump at the half-way stage when the clearers were benefiting from a very sharp year-on-year jump in base rate, which averaged more than five points higher in January-June. Thanks to the jump to 17 per cent in November, however, base rate still managed to average a gain of four points in July-December compared to the same period of 1978, and loan demand surged ahead. So pre-tax growth decelerated only to 41 per cent in the second half.

Just about all this growth has been achieved in the UK operations, which implies an advance here of some 30 per cent. The international side has been going through a much more difficult time, with balance sheet expansion offset by a cut in margins. Though international profits have been maintained at just over £80m, they have slipped from 45 to 30 per cent as a proportion of the total.

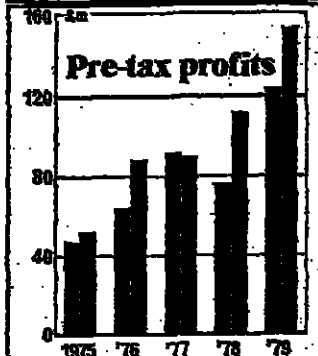
But good as the figures are (even on a current cost basis, pre-tax profits are up 28 per cent, with the dividend covered more than three times) Lloyds is conscious that its prosperity could be fleeting. This is the period of economic cycle when money rates and loan demand are at a maximum, but when the full impact of rising costs and bad debts has still to be felt. The clearing banks are just going into some potentially very expensive pay negotiations, and whilst corporate customers are still borrowing furiously with regard to the cost and bad debt experience remains very good, the warning signs are there. The recession is unlikely to be as bad for the banks as in 1974, when Lloyds' profits fell by more than 30 per cent, but opinion in the City is still divided on whether Big Four profits will rise or drop in 1980.

Certainly the current cost figures are bound to look substantially worse for rising inflation and the increasing level of free capital are likely to push the monetary working capital adjustment up from £109.5m to over £150m. Yet the Big Four seem to be assured of at least three months of base rates at 17 per cent.

For the moment, in fact, Lloyds' problem is that with utilisation of overdraft facilities by corporate customers rising well past 50 per cent the banking "corset" could begin to cost an annoying amount in penalties.

Index fell 3.4 to 454.2

LLOYDS BANK



Fairey

If the price is right, the £19.5m bid from Hambros Bank would be an ideal way of returning Fairey Holdings to the private sector. Fairey's management has been distinctly unhappy in the last few months about the threat of a hurried sale by its present owner, National Enterprise Board. It says that any move to break the group up would have a devastating impact on morale, which has been painstakingly rebuilt after the collapse two years ago. It also suggests, perhaps with less conviction, that Fairey makes excellent commercial sense as an independent entity.

Hambros' plan is to buy the company, place 85 to 90 per cent of its shares with up to a score of investing institutions, and shepherd the business towards a public flotation in a couple of years' time at which point new funds could be injected into the balance sheet. It will not seek to change present management or policies.

Its timing is astute, both in financial and political terms. Fairey's audited figures for 1979 will be available in the next few weeks, which was when the NEB expected the bidders to come forward. The Government has said that there is no immediate pressure for a sale, but it would be hard to reject any reasonable offer. And although the interests of the taxpayer have to be considered as much as those of the company, a bid couched in these terms would be more acceptable politically.

than a couple of million more from a greedy conglomerate.

Hambros' bid looks reasonable although not generous. The NEB bought it from the receiver for £18m and has not put in any new funds: the group is capable of financing itself for at least a couple of years. Its net assets are around £20m or so, and its 1979 profits are likely to have been roughly unchanged at about £5.2m pre-tax despite the engineering strike. A strong balance sheet and its sizeable defence business picks it out from the general run of engineering companies.

Gilt-edged

Yesterday was the first anniversary of the Battle of Waterloo Street, so perhaps it was only natural that the Bank of England should want to issue a commemorative stock to mark the occasion. All the same, the gilt-edged market had been hoping that it might be left off for another week—money is still tight after all.

But the January banking figures showed the money supply to be overshooting its target range in a way that made further heavy sales of debt necessary. The absence of a week and next would have been evidence of considerable official confidence that credit demand was falling. Equally, the issue of Treasury 14 per cent 1986, with £400m calls arranged in the March banking month, points to a very cautious attitude on the part of the Bank.

This month—which runs to March 19—the money market is already burdened with £700m of Petroleum Revenue tax, a £215m call on Treasury 12 1/2 per cent 2005/05, and a call on the short tax which probably amounts to £100m or so. There is also a £500m recall of special deposits and a £500m repurchase of gilt-edged stock from the Bank by the clearing banks. It would not be surprising if these were rolled over.

The announcement of the new issue could have been more happily timed: gilts were already reeling slightly under the impact of leap-frogging U.S. bank prime rates, some of which now stand at 16 1/2 per cent. But if the market does recover its poise next week, the peering on the new stock—the downpayment is only £20, and it will be £50-paid over the Budget—may give it some attraction.

It seems likely that the international interest rates will continue to provide a depressing background for gilts, but the U.S. bond market was trying hard to stage a rally yesterday.

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